

FEB. 1
1936

BUSINESS WEEK



McGRAW-HILL
PUBLISHING
COMPANY, INC.

20 CENTS

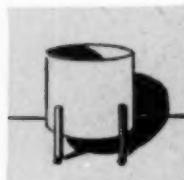
ACADEMIES MUST BE CHECKED — Alfred P. Sloan, Jr., Paul G. Hoffman (seated); F. B. Davis, Jr., Fred G. Wacker, Lee J. Eastman (standing) launch a national campaign to educate drivers and save lives.

Acme
UNIVERSITY OF MICHIGAN
GENERAL LIBRARY
ANN ARBOR MICH

Blazing new trails to profits with

REPUBLIC
ENDURO
STAINLESS STEEL

*Licensed under Chemical Foundation
Patents Nos. 1316817 and 1339378.*



SAVES \$44.00 IN ONE WEEK

That's what a bleaching tank made of ENDURO 18-8 SMO saved a textile firm the first week it was put in operation—because ENDURO has no effect on nor is it affected by most chemicals. Savings are expected to run into the hundreds annually.



A SEASONED AIR TRAVELER

Next time you travel by plane, you may be flying with ENDURO—for the exhaust manifolds and heating coils on one of the country's most famous makes of planes are made of this dependable, heat-resisting metal.

NEW CAR SALES MOUNT

—and the silvery, time-defying beauty of ENDURO gives a boost to the sales of many cars that make it a major part of design. Helps move used cars, too, because it never grows old.



UNROMANTIC—BUT CONVENIENT

Now glorification comes to the lowly cuspidor. For appearance and sanitation, a well-known manufacturer of utensils for clubs, hotels, restaurants and hospitals uses ENDURO as the metal for club cuspidors.



HOUSEWIVES' DREAMS COME TRUE

The pot can call the kettle black no more—for both are bright, shining, sanitary ENDURO. Kitchen ware of ENDURO does not rust or tarnish, can't stain or discolor, cleans easily with soap and water, needs no polishing and always looks new.



FLASH—S. R. O.

The flash is from the shining ENDURO sign, marquee, doors and cashier's booth of the modern theatre. It takes a good picture or play to bring out the "S.R.O." sign, and it takes an attractive, stainless theatre front to halt and invite modern theatre-goers.

NEVER A SEA-SICK DAY

Sea service never affects ENDURO. It laughs at salt water and salt air, and shines on while other metals become brown from rust or green from salty envy. And it's the delight and pride of the galley crew.



BETTER DOUGH—MORE "DOUGH"!

Brown bread, white bread, rye bread or pumpernickel—pastries—all kinds of bake goods are safeguarded when the bakery equipment is made of stainless ENDURO. It's safe, sanitary and easily cleaned. It speeds up work in the bakery and lasts a lifetime.



For beauty, sanitation, corrosion-resistance, or heat-resistance—with high strength and long life—no matter what you make—consider ENDURO Stainless Steel, trail blazer to better products and bigger profits. Write for full information.

**Republic Steel
CORPORATION**

REPUBLIC
STEEL

GENERAL OFFICES—CLEVELAND, OHIO
ALLOY STEEL DIVISION—MASSILLON, OHIO

When writing Republic Steel Corporation for further information, please address Department BW

Washington Bulletin

WASHINGTON (Business Week Bureau)—Continuance of Roosevelt and New Deal in Washington after Jan. 3 next, with whatever that means to business, is now about an even money bet in the eyes of political speculators as result of Al Smith's promised walkout. Particular tactics employed by anti-Roosevelt Democrats—whether they have rump convention nominees, or merely sulk in their tents—are not important. Nine months ago proper odds were ten to one Roosevelt would be reelected. These have faded gradually with NRA decision and its failure to have unfavorable effect on workers, with reaction of country against Constitution change, with AAA decision, and finally with Al Smith's arraignment.

Man Still Wanted

Really important thing now is Republican nominee. Reason bets against Roosevelt are not stronger is well-known capacity of Republicans to throw victory away as they so successfully did in 1916.

Experts' Alternative

Two alternative tax plans, worked out by Treasury experts, will be laid on Treasury Secretary Morgenthau's desk when and if he is called by House Ways and Means Committee. One is a flat 4% manufacturers' excise tax—just a sales tax. Other boosts normal income tax rate from 4% to 8%, cuts married person's exemption from \$2,500 to \$1,500, single from \$1,500 to \$750, boosts surtax rates on incomes up to \$50,000.

Taxes to Pay the Bill

The 4% sales tax gives some idea of what Treasury experts, working under glass, not worrying about politics, and unconcerned about fact this is presidential year, figure Treasury needs to balance budget. Congressional leaders, worrying about everything, want no tax legislation at all until after election. President knows he cannot put it off that long.

Taxes to Save an Election

Tax probability is still what *Business Week* said last week. Excise taxes, more widely spread than processing levies, calculated to raise about \$700,000,000. Then real budget-balancing taxes after election.

Working Up the Farmers

County agents of AAA are working up farm sentiment for Administration, against Supreme Court, and for changing Constitution. Invitations to "farmers' discussion," with line saying "free ham sandwiches and coffee

POLITICAL EROSION

New soil erosion device for continuing farm benefit payments and crop curtailment outlawed by Supreme Court in AAA decision faces constitutional attack on Senate floor despite committee's overwhelming endorsement. It will probably be enacted anyhow. As lawyers solons may debate, but as candidates for reelection they will resolve their doubts in favor of farmers.

will be served," are being received by farmers.

Farmers Worked up

Corn belt insurrection against Morgenthau and Brain Trust is predicted. Federal Alcohol Administration wanted only grain spirits used in blending whisky. Morgenthau overruled it, thereby pleasing Prof. C. W. Taussig, late of Brain Trust, now president of Cuban American Sugar Co., not to mention emphatic Senator Overton, interested in Louisiana cane growers. Corn growers who were busy fighting to force mixture of alcohol (grain of course) with gasoline, have just noticed the liquor deal. Now Philadelphia liquor people who are most concerned in getting cheaper alcohol may fool Taussig and Louisiana by buying Philippine blackstrap!

Distillers Get a Stay

Although FAA hard liquor regulations are approved, distillers will not have to comply before July 1 at earliest. Under law, regulations are effective Mar. 1, but necessity of approving some 25,000 spirit, 8,000 beer and ale and 50,000 wine labels requires extension.

Double Insurance

Federal Deposit Insurance Corp. is seeking to swallow RFC's bank-relief job. It starts off by loaning \$2,828,000 to Bethlehem institution, wants to protect its insurance before banks close rather than pay off

afterwards. Meanwhile, new Reserve Board contemplates swallowing FDIC, making it just bureau of Reserve System.

Power Program Checked

Almost complete cessation of PWA power program, about 2% of total PWA expenditure, is result of court injunction against Nebraska's "little TVA" projects. They were ignored while set up separately, but proposal to unite them brought court action, now almost invariable aftermath of any power allocation. Jam will continue until Supreme Court decides.

—And Denied by PWA

PWA disclaims existence of "power program." Says its job is to finance projects and check security of loans, that type of work selected is up to local authorities.

Silver Lining Wanted

Roosevelt and Morgenthau, facing fierce attack on terrific losses in government silver-buying fiasco, are seeking some way out. Latter has denied they are concocting weird-sounding plan for revaluing silver, reducing grains of white metal to each dollar, and chalking up paper profit. But some defense of silver policy must be produced early in election campaign. If it helps on budget and tax situation, so much the better.

Farm Mortgage Debate

Frazier-Lemke bill would bring inflation with only temporary benefit, opponents insist. Low mortgage interest rates would mean higher land prices, as they did in Ireland—which doesn't dampen farmers' enthusiasm.

Two Opinions on Japan

Tariff Commission ignores convictions of Commerce and Agriculture Departments that America is in no danger of being supplanted as world supplier of cotton. States in trade study: "Japan has other sources of supply of much of the material and equipment which she now buys from the U. S."

No TVA Secrecy

Talk of TVA salary "secrecy" is bunk. Salary list is in TVA report being printed as House document. It was merely eliminated from the condensed version for wide distribution.

Back to the Fathers

Records of original constitutional convention, AAA supporters now claim, show broad interpretation of welfare clause was intended. All they have got to do is to sell the idea to any two of six majority justices.

ANNOUNCING GREATER 1936 VALUES IN GENERAL MOTORS TRUCKS



- 1. Cost-reducing improvements throughout the entire line.
- 2. Advanced streamline appearance.
- 3. For the first time, money-saving GMC dual performance axles in 1½ ton to 6 ton capacity ranges.
- 4. More distinctive, more comfortable streamlined cabs.
- 5. Correctly sized engines for maximum economy and improved performance—in every capacity range.
- 6. A new quality low-priced ½ ton delivery.
- 7. A greater value in the 1½-2-ton range. At this extremely low price you can now get the quality GMC many-feature truck that is built to out-perform and out-earn.

1/2 TON
425
CHASSIS FOR PONTIAC
TRUCKS OF VALUE

525
CHASSIS FOR PONTIAC

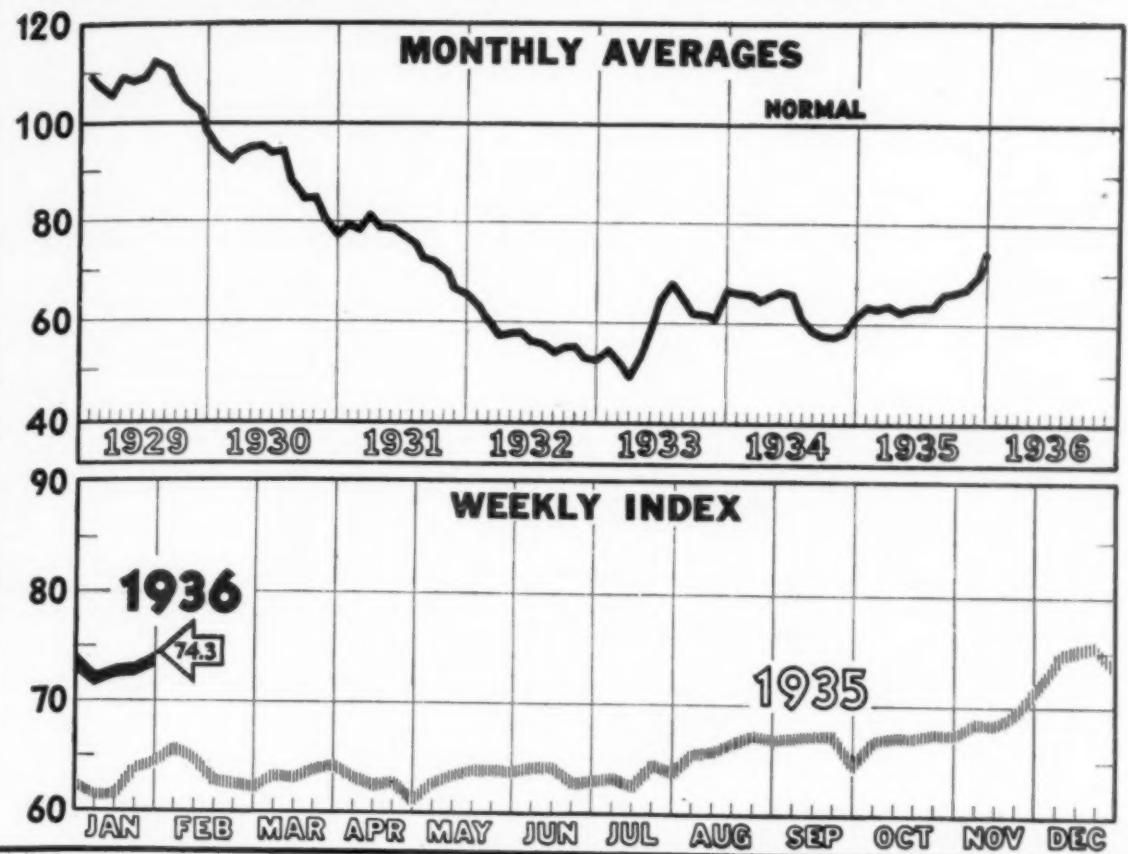
Time payments available through
our own 6% Y. M. A. C. plan

GENERAL MOTORS TRUCKS AND TRAILERS

GENERAL MOTORS TRUCK COMPANY • PONTIAC, MICHIGAN

1/2 TO 15 TONS

BUSINESS WEEK'S INDEX OF BUSINESS ACTIVITY



**BUSINESS WEEK INDEX
PRODUCTION**

★ Steel Ingot Operation (% of capacity)	49.4	49.9	52.5	35.8
★ Building Contracts (F. W. Dodge, daily average in thousands, 4-week basis)	\$9,078	\$10,095	\$4,275	\$5,985
★ Bituminous Coal (daily average, 1,000 tons)	1,421	11,494	1,319	1,255
★ Electric Power (million kw.-hr.)	1,955	1,950	1,782	1,635

TRADE

Total Carloadings (daily average, 1,000 cars)	102	103	94	97
★ Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars)	63	62	59	61
★ Check Payments (outside N. Y. City, millions)	\$3,974	\$3,899	\$3,321	\$3,364
★ Money in Circulation (daily average, millions)	\$5,716	\$5,735	\$5,364	\$5,253

PRICES (Average for the Week)

Wheat (No. 2, hard winter, Kansas City, bu.)	\$1.11	\$1.12	\$1.00	\$.70
Cotton (middling, New York, lb.)	11.85¢	11.87¢	12.62¢	9.50¢
Iron and Steel (Steel composite, ton)				
Copper (electrolytic, Connecticut Valley basis, lb.)	\$33.38	\$33.34	\$32.60	\$30.66
All Commodities (Fisher's Index, 1926 = 100)	9,250	9,250	9,000	7,898
	83.9	83.8	81.6	70.5

FINANCE

Total Federal Reserve Credit Outstanding (daily average, millions)	\$2,490	\$2,485	\$2,468	\$2,009
Total Loans and Investments, Federal Reserve reporting member banks (millions)	\$20,969	\$20,913	\$19,514	\$19,637
Commercial Loans, Federal Reserve reporting member banks (millions)	\$4,906	\$4,932	\$4,897	\$6,304
Security Loans, Federal Reserve reporting member banks (millions)	\$3,167	\$3,193	\$3,155	\$4,816
Brokers' Loans, Federal Reserve reporting member banks (millions)	\$1,101	\$1,119	\$910	\$975
Stock Prices (average 100 stocks, <i>Herald-Tribune</i>)	\$115.16	\$113.95	\$97.34	\$103.22
Bond Prices (Dow, Jones, average 40 bonds)	\$101.29	\$100.84	\$96.59	\$88.72
Interest Rates—Call Loans (daily average, renewal) N. Y. Stock Exchange	1%	1%	1%	1.4%
Interest Rates—Prime Commercial Paper (4-6 months) N. Y. City	1%	1%	1%	2.1%
Business Failures (Dun and Bradstreet, number)	252	246	259	569

This Weekly Index of Business Activity is covered by the general copyright on the

Business Week

Burroughs

SHORT-CUT KEYBOARD



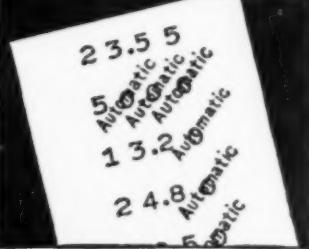
Speed . . . with fewer motions

Burroughs short-cut keyboard permits the operator to add or subtract an entire amount, or take a total, with a single motion of the hand. Also, there are no ciphers to write—ciphers print automatically. These and many other time and labor saving advantages of the short-cut keyboard are described and illustrated in a new, interesting booklet. For your copy, telephone the local Burroughs office or write direct.

BURROUGHS ADDING MACHINE COMPANY, DETROIT, MICHIGAN

**ADDING, ACCOUNTING, BILLING AND CALCULATING MACHINES
CASH REGISTERS • TYPEWRITERS • POSTURE CHAIRS • SUPPLIES**

ALL CIPHERS ARE AUTOMATIC



Only on the short-cut keyboard are ciphers written automatically. Thus much of the work is done without touching a key.

SEVERAL KEYS AT ONE TIME



Only on the short-cut keyboard can two or more keys be depressed at one time. This saves many needless motions.

COMPLETE OPERATION IN ONE MOTION



Only on the short-cut keyboard can an entire amount and the motor bar be depressed together, thus completing the entire operation in one motion.

The Business Outlook

JANUARY business activity, though not spectacular, was the best in five years. Confidence in the next few months' improvement continues strong, and earnings statements now coming to light hold many pleasant surprises. Construction awards were double those of last January. Steel operations held close to 50% of capacity. Motor assemblies slowed down as retail sales lagged, but the month still made a good showing against former Januaries. Cold weather continues the biggest retarding factor in retail trade, with the freezing-line dipping deep into the southern tier of states. The veterans are in the money, and used-car dealers hope a good many will see them first, and take a load off their hands.

Influence of Politics

Everywhere political pots are boiling; party lines are crumbling over New Deal issues. Congress, struggling with the farm problem, has a bad case of "constitutionitis." The new Reserve Board gets an O.K. from bankers, while the last gesture of the old board in lifting margin requirements proved anything but a damper on speculative spirits. Currency manipulation rumors were spiked by the Administration. Financial districts seemed to have taken them more seriously than industrial purchasing agents. Buying of goods is still a near-term proposition, with precious little forward buying.

Still Foggy Over AAA

Cotton goods markets have not yet worked out difficulties resulting from the AAA decision. Many a mill that agreed to rebate refunded taxes is now alarmed at suggestions for retroactive taxes. Goods whose prices have already been adjusted to the ex-tax basis now face a new uncertainty. Buyers are restricting orders to fill-in requirements. In work clothes, orders have practically ceased. Some mills complain that buyers are dictating their own discount terms.

Wool Prices Still Gain

Woolen mills continue cheerful. Prices are still rising after good gains in 1935. Arlington Mills, wool-combers and worsted makers, reported the best sales since 1927 and the best profits since 1923. Raw wool stocks are low, and heavier imports are almost certain. Current sales in silk and rayon fabrics have been stunted by the threat of a strike in the ladies' dress industry.

Heavy Construction Rises

Heavy engineering construction during January topped \$288,500,000, compared with \$148,300,000 a year

GETTING JOBS AGAIN

Unemployment is shrinking, not very fast, but surely. December figures, which have now been tabulated, show that it fell below the 9,000,000 mark for the first time since late 1931. Retail businesses contributed most to this achievement by expanding holiday staffs even beyond the 1929 level. But manufacturing employment was also unusually steady, which suggests that industrial activity no longer leans so heavily on the motor industry as it did a year ago.

ago. Though public projects still loom large in the construction picture, private building is emerging. Last week, General Motors awarded a \$2,500,000 California plant contract, and S. H. Kress contracted for a \$600,000 variety store in Atlanta. The Champion Paper & Fibre Co., an important commercial paper manufacturer, plans to issue stock to construct a \$3,000,000 mill in which Southern pine will be used. To build the 114 torpedo bombing planes recently awarded to Douglas Aircraft, the Santa Monica factory will have to be doubled. In New York, the Public Works Administration loan of \$37,500,000 for construction of the midtown Hudson tunnel has been changed to a grant of less than \$5,000,000, because the Port Authority was able to borrow the rest of the money from private sources at lower interest than the 4% charged by PWA.

Utilities Are Expanding

With new peak levels of electric power demand, utility plants are beginning to expand plants. Utah Power & Light has asked for a certificate of necessity to build a \$1,600,000 steam power plant. Public Service Electric & Gas will continue its program of putting overhead wires underground, spending \$2,000,000 for 1936 projects. A subsidiary of Columbia Gas & Electric

plans a \$2,000,000 construction program. The Rural Electrification Administration has approved two loans which will provide some 2,000 farmers in Virginia and Georgia with electric service for the first time.

Steel Satisfaction

Steel markets are satisfied with the run of business in January, even though final figures will show some contraction from the December volume. It ought not to be much, for orders have been coming along in good form from railroads, farm equipment makers, washing machine and stove fabricators, machine-tool builders, and the construction and oil industries. Structural steel awards for January totaled 100,500 tons, compared with 76,380 tons in December. Machine-tool business in January held close to December's excellent volume.

Earnings Bring Cheers

Particularly cheering to steel are the earnings of 1935. For the first time since 1931 U.S. Steel made fourth-quarter profits. Earnings in the last three months alone were enough to wipe out the deficit of the nine preceding months, leaving earnings for the year at \$1,084,917, against a loss in 1934 of \$21,667,780. Inland Steel made the biggest fourth-quarter earnings since 1929. For 1935, earnings of \$9,417,818 were 152% greater than the \$3,729,889 of 1934.

Who'll Use Used Cars?

Used cars are temporarily a glut on the market, despite all efforts to promote winter driving. Severe weather over wide areas has been more than a match for salesmen. Demonstrations became impossible even for buyers already sold on the idea of motor purchasing. Factories cut down assemblies and turned their attention to introducing new lines of low-priced commercial cars and trucks. Even at that, assemblies of 1936 cars in the first three months since their introduction will be better than they were in the comparable months after the 1935 presentations. Over a million units have already come off the lines.

Factory Output Soars

To the list of achievements in 1935 compared with 1934 which *Business Week* has tabulated on page 20, should be added the record of manufacturing output, which the Federal Reserve Board index reveals has recovered to 90% of the 1923-1925 average, the best since 1930, when the index averaged 95%. The gain over 1934 was fully 15%. Mining output made a 6% gain, and stands at 91% of the base period.

Why It Paid This Company to Buy G-E Apparatus

FOR the past twenty years, a prominent Massachusetts textile manufacturer has used 4000 G-E motors in its weave shed. The motors have operated an average of 41 hours a week, 50 weeks a year, for each of the 20 years, and are continuing this record. As a measure of their reliability, the record shows that less than 5 cents per motor per year was spent for repairs.

Such availability of equipment helps assure continuous profitable operation, year after year. Such reliability is the best assurance against unnecessary interruptions to production—outages that may cost from hundreds to hundreds of thousands of dollars a year.

For over 40 years, General Electric has been assisting an *increasing* number of purchasers to obtain *continued* satisfactory service and profitable results from their investments in electric equipment. General Electric Company, Schenectady, N. Y.

Dependability is difficult to include in specifications, but easy to get if you insist on General Electric equipment.

GENERAL  **ELECTRIC**

BUSINESS WEEK

FEBRUARY 1, 1936

A Pretty Safe Board

That is how bankers generally consider the men newly appointed to guide Federal Reserve System through delicate situation of great importance.

"BETTER than expected," "good workhorses," "personally likable," "a pretty safe board." These are the appraisals that President Roosevelt's nominees for six of the seven places on the Board of Governors of the Federal Reserve System (reporting for work on Feb. 1) drew this week from bankers.

Nominees were Marriner S. Eccles (who will be chairman), Joseph A. Broderick, M. S. Szymczak, John McKee, Ronald Ransom, and Ralph W. Morrison. The seventh place was left open temporarily.

The new board assumes the job of guiding banking policy in this country through as ticklish a situation as modern times have witnessed. Confronted by potential inflationary forces of real magnitude and a sharp split in the country between policies of government pumping and government economy, it is their task to steer the banking machine.

Technically O. K.

Bankers generally said that the new board was well qualified in everyday technical banking knowledge but that as directors of central banking policy men of broader scope would have come in handy.

At the same time there was widespread relief that the President had not chosen some radicals who had been urged on him by political factions.

The nearest approach to a political appointment was perhaps Ralph W. Morrison, a friend of Vice-President Garner and presumably pushed by the

latter in the face of opposition by Jesse Jones, chairman of the Reconstruction Finance Corp.

The switch in title and membership from the Federal Reserve Board to the Board of Governors of the Federal Reserve System, ordered by the terms of the Banking Act of 1935, accomplished one thing that makes bankers a little uneasy. Carrying over only two, Mr. Eccles and Mr. Szymczak, from the old board, eliminated age and experience.

Four of the old board over 70 years of age, with long records of Reserve Board service and experience, were dropped at the gate. Now the governing body of the Reserve System is left in the hands of youngsters from 41 to 54, only two of whom have had even a

taste of the central bank responsibility which is suddenly dropped in their laps.

Their youth and inexperience makes them junior in Reserve Board affairs to Mr. Eccles, even without the added weight of his chairmanship. Thus, unless there is an outbreak of independence among the members, it looks as if Mr. Eccles' policies will prevail.

Bankers generally regard Mr. Eccles as a spender, a theorist, and a willing user of the central bank for trying out economic schemes. Consequently he is not popular in banking circles, where feeling is along the lines displayed by Senator Carter Glass, who approved the new board without enthusiasm, and voiced a definite objection to Mr. Eccles.

District Appointments Next

Today (Feb. 1) the new board supplants the former one, and within a month it will appoint a new chairman and Federal Reserve agent for each Federal Reserve Bank and will approve a president of each bank elected to supplant the retiring governor.

The new members start off with salary boosts to \$15,000 each annually, \$3,000 more than their predecessors.

The law requires that members of the board be from different Federal Reserve districts and that they fairly represent industry, commerce, and agriculture. Here is the list:

Marriner Stoddard Eccles, 45 years old, nominated for a four-year term. Hails from Utah, in the twelfth Reserve District, where his interests lay in banks, lumber, hotels, evaporated milk, coal, and insurance. Last year Senator Glass opposed his nomination as governor of the Federal Reserve Board after he had originally come to Washington as assistant secretary of the treasury, but President Roosevelt pushed him through.

Joseph A. Broderick, 54, nominated for the longest term, 14 years. Comes



TWO TO FOURTEEN—A new Reserve Board member is to be named each two years. Governors just appointed are Eccles

(top) for 4 years; and (left to right) McKee, 10; Morrison, 2; Ransom, 6; Broderick, 14; Szymczak, 12.

from New York, second reserve district. Has been in the banking business all his life. Was first chief examiner of the Federal Reserve Board, later was secretary. Served as state superintendent of banking in New York State under the then Gov. Roosevelt. Well liked by bankers personally. Capable of inde-

pendence, but indebted to President Roosevelt for aid in the Bank of United States squabble in New York in 1932.

M. S. Szymczak, 41, nominated for 12 years from his home state of Illinois in the seventh reserve district. Youngest of the new board, he is a vigorous, hard-working Chicagoan, formerly con-

City	Deposits	Reserves			
		Held	Required	Excess	% Above Requirements
Atlanta, Ga.	\$147,821	\$10,798	\$9,100	\$1,698	19
Baltimore, Md.	294,396	30,016	20,403	9,613	47
Birmingham, Ala.	73,527	8,981	4,639	4,342	94
Boston, Mass.	1,074,866	208,823	83,824	124,999	149
Buffalo, N. Y.	287,086	18,149	17,868	281	2
Cedar Rapids, Iowa	27,417	1,981	1,810	171	9
Charlotte, N. C.	70,272	5,935	4,384	1,551	35
Chicago, Ill.	2,637,284	597,881	256,387	341,494	133
Cincinnati, Ohio	311,295	27,930	15,545	12,385	80
Cleveland, Ohio	539,678	81,471	31,801	49,670	156
Columbus, Ohio	137,285	17,432	8,435	8,997	107
Dallas, Texas	196,773	18,018	13,073	4,945	38
Denver, Colo.	169,401	23,052	9,902	13,150	133
Des Moines, Iowa	75,327	6,575	5,136	1,439	28
Detroit, Mich.	559,980	63,704	29,579	34,125	115
Dubuque, Iowa	7,503	685	391	294	75
El Paso, Texas	22,826	1,486	1,244	242	19
Fort Worth, Texas	78,817	5,934	4,704	1,230	26
Galveston, Texas	33,471	3,335	1,391	2,144	154
Grand Rapids, Mich.	48,087	4,216	2,605	1,611	62
Helena, Mont.	16,202	1,923	892	1,031	116
Houston, Texas	191,135	20,158	11,620	8,538	73
Indianapolis, Ind.	166,392	12,914	10,194	2,720	27
Jacksonville, Fla.	75,199	4,979	4,610	369	8
Kansas City, Mo.	358,433	26,529	19,916	6,613	33
Kansas City, Kan.	15,507	1,131	998	133	13
Lincoln, Neb.	37,978	3,534	2,773	761	27
Little Rock, Ark.	28,754	3,842	1,773	2,069	117
Los Angeles, Calif.	860,848	80,570	45,556	35,014	77
Louisville, Ky.	130,306	12,231	7,913	4,318	55
Memphis, Tenn.	115,933	8,312	5,478	2,834	52
Milwaukee, Wis.	250,624	25,255	15,123	10,132	67
Minneapolis, Minn.	257,054	27,387	16,540	10,847	66
Nashville, Tenn.	71,576	3,897	3,693	204	6
New Orleans, La.	200,920	19,251	12,527	6,724	54
New York, N. Y.	10,460,967	2,592,700	1,160,380	1,432,320	123
Oakland, Calif.	34,513	1,206	1,159	47	4
Ogden, Utah	21,796	1,780	1,325	455	34
Oklahoma City, Okla.	93,204	12,914	5,543	7,371	133
Omaha, Neb.	118,657	16,538	8,345	8,193	98
Peoria, Ill.	43,737	6,625	2,454	4,171	170
Philadelphia, Pa.	1,280,960	190,708	88,609	102,099	115
Pittsburgh, Pa.	896,138	100,163	60,234	39,929	66
Portland, Ore.	163,652	10,229	9,690	539	6
Pueblo, Colo.	21,866	3,384	821	2,563	312
Richmond, Va.	135,993	24,687	8,174	16,513	202
St. Joseph, Mo.	29,228	2,500	1,438	1,062	74
St. Louis, Mo.	532,912	95,591	37,040	58,551	158
St. Paul, Minn.	164,818	24,198	10,932	13,266	121
Salt Lake City, Utah	66,523	8,789	3,350	5,439	162
San Antonio, Texas	69,134	6,070	3,863	2,207	57
San Francisco, Calif.	1,947,112	151,519	100,575	50,944	51
Savannah, Ga.	92,457	6,457	3,972	2,485	63
Seattle, Wash.	185,600	14,457	12,019	2,438	20
Sioux City, Iowa	25,245	1,949	1,609	340	21
Spokane, Wash.	52,877	6,828	3,092	3,736	121
Toledo, Ohio	90,816	33,244	5,868	29,376	501
Topeka, Kan.	28,260	3,050	1,788	1,262	71
Tulsa, Okla.	92,562	5,142	4,787	355	7
Waco, Texas	20,100	1,195	848	347	41
Washington, D. C.	235,108	43,799	14,133	29,666	210
Wichita, Kan.	53,778	5,919	3,500	2,419	69

NEW BOARD'S OLD PROBLEM—*Business Week's* analysis of \$3,000,000,000 idle bank reserves by cities shows how they pile up in financial capitals, complicating the job of controlling or eliminating them.



TO THE TOP—Up from the position of vice-president and advertising director of McCall Co., John C. Sterling moves today (Feb. 1) into active management of Publication Corp., top outfit in the far-flung enterprises of Joseph P. Knapp, the little-known No. 2 man in American publishing. Mr. Sterling has already been elected a member of the board of directors and executive committee of the Crowell, Alco-Gravure, and United Newspapers Magazine divisions. Mr. Sterling's successor at McCall's has not yet been announced.

troller of Chicago, and before that a professor. Not widely backed by practical experience, but commanding some respect from bankers for his evident possibilities.

John McKee, 44, nominated for 10 years from Ohio, in the fourth reserve district. Was receiver for insolvent national banks in Ohio and Pennsylvania during 1931-32. Subsequently examiner for the RFC. Experienced technical man.

Ronald Ransom, 54, nominated for six years from Georgia, in sixth reserve district. Executive vice-president of Fulton National Bank (Atlanta) in charge of trust department. Prominently identified with the American Bankers Association. Trust people are delighted with this nomination. It is the first time there has been a good trust man on the board.

Ralph W. Morrison, 53, nominated for two years from Texas, in the eleventh reserve district. A rich man. Was head of Central Power & Light, afterward an Insull property, and is president of a utility holding company, American Central Utilities, with Mexican and San Antonio properties. Director of Alamo National Bank of San Antonio, and a big rancher. Served with American delegation to London Economic Conference in 1933. Bankers are not sure what his capacity for main-ring banking is.

Smoking More

Cigarettes and cigars had good year; Big Four engaged in hot fight; Spud challenges them.

FOR cigarette and cigar manufacturers 1935 was a good year.

Cigarette production piled up a new all-time record—134.6 billions as compared to 125.6 billions in 1934 and the 120 billions pre-depression record.

Cigar manufacture continued the upward trend which started in 1934 after the industry had seen its output decline almost without interruption through 13 years.

Yet not all the manufacturers are happy. In the cigarette branch the battle of brands is raging with almost unprecedented bitterness. At the end of 1934 a difference in output of only 1½ billion cigarettes separated Chesterfield, leader of the so-called big four, from its two nearest competitors, Camel and Luckies (BW—Feb 2'35). Old Gold was fourth.

Neck and Neck Race

When last surveyed by impartial agencies, Camel and Chesterfield were running neck and neck, with Lucky Strike sales so close behind that figures at the end of 1935, not yet tabulated, may show it to have been a dead heat for the three.

However, observers say that some important shifts of popularity are in progress among the other brands, which compete for the 20% of total volume that the leaders don't take.

Some makers of 10¢ cigarettes have been facing a three-sided problem. The 10-centers gained popularity in the depth of the depression, when pennies counted and when tobacco prices were low. Now tobacco prices are up.

Makers of 10-centers can do one of three things. First, maintain the same selling price, but change the blend to suit present costs; this would drive many customers away. Second, leave the blend unchanged and see profits dwindle. Third, leave the blend unchanged and raise the selling-price; this would send many customers back to their pre-depression favorites.

Insiders say that nothing will so swiftly cause a smoker's switch to another brand as a change in blend, and that such changes have already cut the sales of some 10¢ brands very much.

Then there is the challenge of the mentholated cigarettes. These broke into the market a few years back when Axton-Fisher launched Spud.

Since then Spud and its imitators have piled up more sales volume each year, which of course cut into other brands, but Spud's big bid for patronage is only now getting under way.

The option for control of Axton-Fisher, held by Standard Commercial Tobacco Co. (BW—Dec 7'35), was recently exercised. Ery Kehaya, the astute president of Standard Commercial, has been elected president of Axton-Fisher.

He is known to have a yen for mentholated cigarettes in general and Spud in particular and reports have it that he is all set, not only to make Spud the big-

gest selling 15¢ cigarette, but also push its volume so high that it will outsell one of the regular big four.

Meanwhile cigar manufacturers are rejoicing because their industry has at last turned the corner. They saw cigar consumption drop from 8.7 billions in 1920 to 4.3 billions in 1933. Many concluded that the whole industry was doomed. Then 1934 marked the turn in trend, an increase in consumption of 252 millions, and now that 1935 also shows an increase, this time 166 millions, they feel that they are saved.

Changes in consumption of manufactured tobaccos and snuff are less significant. In both classes, 1935 consumption was less than in 1934 and about equal to 1933.

Some manufacturers who brought out special blends of tobacco to meet the depression-demand of roll-your-own devotees are finding the sales of these well sustained, while others report losses.

King Consumer

His help is needed to avert restrictive laws, dry goods men agree.

THE main interest in last week's silver jubilee convention of the National Retail Dry Goods Association, in New York, centered on someone who was not present—the consumer.

Retailers found their vocal interest in the consumer a fine shield when the National Industrial Recovery Act and other government restrictions crowded them and now, with state "fair-trade" acts becoming the fashion, and possibly more general sales taxes in the offing, they need that shield more than ever.

Big stores propose to spread the idea that they merely function as buying agents for consumers and as such will oppose all restricting measures.

Employee Relations Critical

It was argued that to put their message across more effectively they would need to improve employee relations, and that, in particular, sales personnel must be treated more generously.

The jubilee crowd was the most cheerful lot that has attended an N.R.D.G.A. convention since 1929. Many executives were willing to brag about 1935 performance, and most of them expected 1936 business to top '35.

Questioned about the year-end status of inventories, most of the retailers answered "Normal." A few said that in expectation of higher prices they had stocked up heavily on some staple items, but also many confessed that they had kept their stocks of cotton goods at a low level for some months, because they believed that the processing tax would be kicked over.

Although most stores were presumed to have learned during the depression that the boom years had loaded them



Wide World

RUBBER MAGIC—New York luncheon guests mixed chemicals in highball glasses, churned up Thiokol, a synthetic rubber. Dr. J. C. Patrick, inventor of the process, showed them how. Speakers declared that this formula and du Pont's synthetic rubber, DuPrene, could supply the country's need if war cut off natural supplies. Meanwhile synthetic rubber's resistance to chemicals that defeat the plantation product is making an important place for it in many industries.

up with too many high-priced employees with fancy titles, sideplays at the convention indicated that returning prosperity is bringing back old habits. Some stores are splitting up departments again,

adding new managers and even stylists, restoring other boom period titles.

The association elected as president David E. Moeser, treasurer-general manager of Conrad & Co., Boston.

ments with any wholesaler operating under a state law.

(5) Sen. Van Nuys was reported to have his Clayton act amendment ready at last. Favored by druggists, it would require filing of all discounts, and let the trade apply necessary correctives.

(6) The amendment to the Federal Trade Commission Act, proposed by FTC in its last annual report (*BW*—Dec 14 '35) was introduced by Sen Wheeler and Rep. Rayburn. By giving the Commission power to move against "deceptive acts and practices" it would eliminate the necessity for proving, as FTC must now do, that such practices are injurious to competition. It would limit to 60 days the time for court appeal from a Commission order, and would enable FTC to obtain a restraining injunction during the pendency of any action before it.

Pressure on Manufacturers

Meanwhile, many manufacturers who have heretofore rendered lip service to the cause of price control but been lagard in their active support (due in large part to their fear lest existing marketing machinery be seriously disrupted) are being rapidly converted to the great crusade.

In the drug field, five of them—Squibb, Pond's, Phillips, Upjohn, and Parke, Davis—are being subjected to considerable pressure from New York state retailers who have sworn to keep their products "under the counter" until suitable price policies are adopted.

And since the publicity afforded chain discounts by Rep. Patman, food men are being subjected to new pressure from large buying groups—chains and voluntaries—which feel they might not be getting all the gravy available. It might, food men feel, be politic to settle the discount issue.

Price Control Out in the Open

Four new Clayton act amendments entered the arena, as House committee schedules first hearings for Monday.

SIGNIFICANT developments came with a headlong rush this week in the fight which independent retailers and wholesalers have been waging for legislative relief from price-cutting and what they consider to be the unfair buying advantages enjoyed by large distributors.

(1) Most important in the kaleidoscopic succession of events was the announcement that the first public hearings on all proposed federal legislation will open in Washington, Monday, Feb. 3. These will be conducted by Rep. Utterback and his House Judiciary subcommittee, with which half a dozen bills and countless general suggestions have been filed during the past year.

Has His Own Bill

(2) The Congressman himself introduced a bill which is assumed to represent the committee's thought in the matter. Although it is not quite as tough in some respects as the Patman bill, ranking contender for congressional attention, it will probably prove almost as unpalatable to big manufacturing interests and large distributors.

It seeks to apply the Clayton act ban on price discrimination to intrastate as well as interstate commerce by the broadest possible definition of commerce.

It restricts quantity discounts to those "not in excess of the differences in cost of selling . . . together with the cost of service," but apparently excludes savings made in producing for big buyers.

It eliminates basing-point practices, by allowing for the deduction only of "actual freight or other cost of transportation" in determining what "price" is.

It forbids payment of brokerage commissions to anyone other than bona fide sellers who have no interest in a purchasing unit.

Also like the Patman bill, it prohibits advertising allowances unless accorded "all purchasers on proportionally equal terms."

It specifically O.K.'s price differences made on the basis of customer classification, i.e., as between consumer, retailer, wholesaler, jobber, and processor.

(3) Sen. Borah also introduced an amendment to the Clayton act which is perhaps more sweeping than any other in that it does not permit price variations based on differences in selling expense, transportation cost, or competi-

tive conditions. In fact, it forbids a person to quote lower prices in one place than he offers elsewhere or to quote "unreasonably low prices" anywhere on any goods (including gas and electricity). A punitive measure, it includes fines of \$5,000, one year's imprisonment or both.

This bill, coupled with Sen. Wheeler's speech before the food brokers in Chicago (*BW*—Jan 25 '36), indicates an apparent shift in the position of liberals who have heretofore opposed price fixing on the theory that it led to monopoly and higher prices. Now they seem committed to the paradoxical policy that big distributors must be curbed to prevent monopoly even though that process forces them to the higher price level of independents.

(4) Sen. Tydings has revised his national fair trade enabling act and drug interests have recast their pattern for state fair trade laws to salvage what they can from the New York court's ruling that non-signers could not be compelled to adhere to contract prices (*BW*—Jan 11 '36). The new combination will, presumably, eliminate the need for omnibus contracts and facilitate customer selection by providing that a manufacturer shall have the right to sign price agree-

The House That Glass Built

Owens-Illinois puts up plant for itself, made all of glass blocks and without windows. And thread and air-filters can now be made of glass.

THE Owens-Illinois Glass Co. has built at Toledo an all-glass, windowless building, occupied by the company's packaging research laboratory.

The 39-room, two-story building, with 20,000 feet of floor space, is made of 80,000 hollow glass blocks, translucent but not transparent.

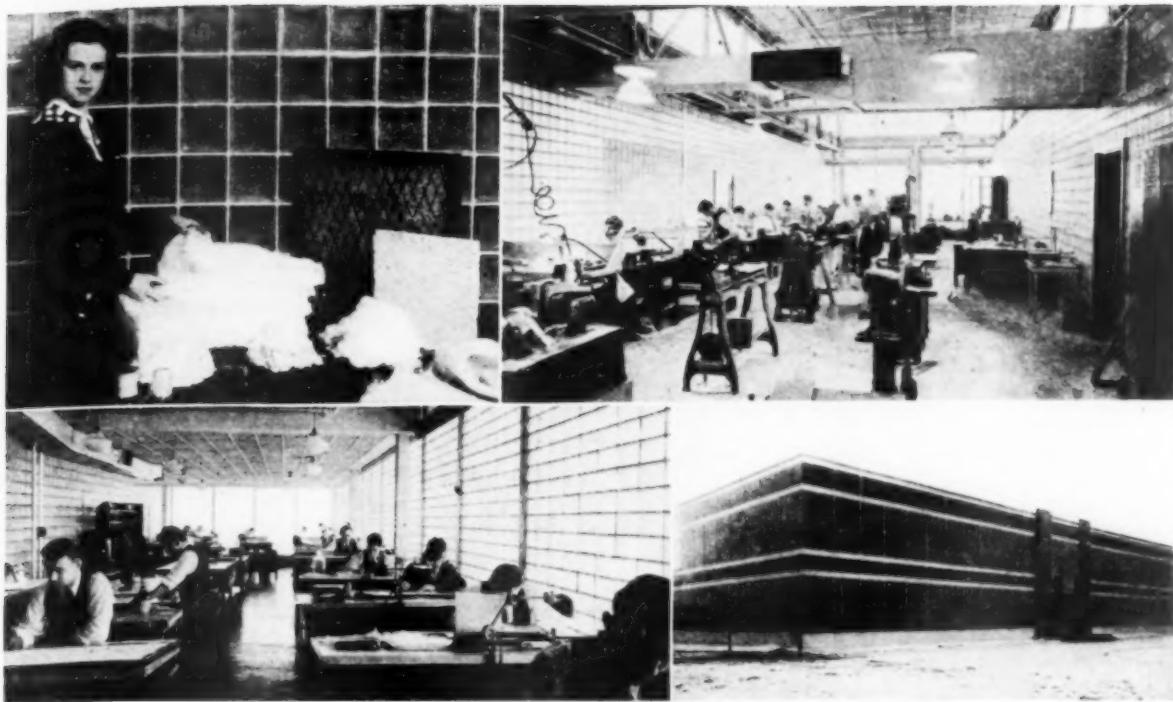
Weighing less than four pounds each, the blocks were laid by ordinary brick masons and are a product of the Owens-Illinois industrial materials plant at Muncie, Ind. The building is completely air-conditioned.

Glass blocks offer many advantages

in light transmission, insulation against heat and cold, light diffusion, and sanitation. They are said to resist fire, moisture, vermin, and acids, and to prevent passage of air and gases.

In Milwaukee the J. C. Penney Co. has built a retail store of them; in West Virginia an electric power plant has been built with them; and several cities are building schools of glass blocks.

Owens-Illinois, having excessive plant capacity as a result of the depression, set out to discover new products which automatically would create markets for themselves. It spent courageously on



100% GLASS—Owens-Illinois Glass Co. has built at Toledo an all-glass, windowless building, for its own use. Plenty of daylight is admitted through the translucent blocks. There are 39 large rooms, one of which (top right) is occupied by the men

who make wood models for glass containers; another (lower left) houses the container designers. The girl above holds fluffy glass, used for insulation; fibrous glass can also make thread, yarn, rugs, and air-filters.

BROOME BLOCK

research. One result is glass blocks. Another is fibrous glass.

This is produced in three different forms: (1) in a fluffy mass commercially available as insulation for homes; (2) in the size of broom straw assembled into mats, about two inches thick, for use as air-filters; (3) in fiber 20 times less in diameter than human hair, this thread being employed as insulation for electric wire and large cables.

The usual ingredients for glass—sand, soda ash, lime, and certain costly chemicals—and the ordinary type of glass furnaces are used to make fiber glass by a secret process in the Owens-Illinois industrial materials division at Newark, Ohio. It has been made in Europe for years at a relatively high cost.

Insulating 15,000 Houses

Owens-Illinois insulating glass "wool" is distributed by the United States Gypsum Co. and has been sold as insulation for 15,000 houses in the past year.

It weighs only one and a half pounds per cu. ft., takes a two-ton load off the ceiling of the average house compared with other materials on the market, and can be installed in homes already built, by reducing the packs to tiny pellets and forcing them between walls with a blowing machine inserted in a small hole cut in one wall.

Insulation glass has uncommon acous-

tical properties and has attracted the interest of moving-picture sound people, because it softens sound and also is fireproof. It is being made into metal mesh blankets to wrap around boilers, steam- and hot-water pipes, and hot-air ducts. One type withstands temperatures up to 1,000 deg., the other type up to 200 deg.

Use of Glass Filters

Glass air-filters can be used not only to clean air from warm-air furnaces in homes and stores, but also to protect internal combustion engines from abrasive dusts.

Fiber glass may become an accepted thread, alongside wool, cotton, and silk. Fifty textile companies are experimenting with it, and the Owens-Illinois laboratory at Newark is trying to make it in colors (thus far white, blue, black, and red fiber have been produced).

Owens-Illinois has licensed a glass company at Duesseldorf, Germany, to make fiber glass, and has shipped special machinery from Newark. It has also granted a license to the Corning Glass Works, of Corning, N. Y.

Glass blocks and fiber glass are still only offshoots of the Owens-Illinois main business, which is the manufacture of containers. It also owns the Closure Service Co., of Toledo, which makes metal and synthetic caps and other closures.

Recently Owens-Illinois invaded the

can-making industry. Some declare it was provoked by the competition of the American Can Co., but Owens-Illinois says it wants to round out its packaging service—glass, metal, and paper containers.

It has bought the Tin Decorating Co., of Baltimore, subsidiary of the American Tobacco Co., and the Enterprise Can Co., of McKees Rocks, Pa., and is reported to be negotiating for two or three other can companies, all to be operated as the Owens-Illinois Can Co.

Can-Making Activities

Tin Decorating Co. has facilities for lithographing metal, and makes and sells decorated metal containers. Enterprise Can has a general line of tin products.

F. A. Prahl, former vice-president of Continental Can, is a chief executive in the Owens-Illinois can-making activities (which is not expected to include making beer cans, since the company does not believe cans are a suitable container for beer).

Further expanding its glass container business, the firm has acquired the Libbey Glass Mfg. Co. of Toledo, which makes glass stem ware.

Owens-Illinois is the result of a merger in 1929 of the Owens Bottle Co. and the Illinois Glass Co. Most of the executives are relatively young men. It is headed by W. E. (Bill) Levis, youngish grandson of the Edward Levis who



COME ONE, COME ALL—General Motors, on wheels, is rolling across the country, acquainting the population with the wonders of modern motordom. The Parade of Progress will cover 20,000 miles with its special 28-vehicle train. A trailer carries a complete diesel power plant which lights the show and runs the exhibit machinery, and a public address system is mounted on another carrier. G.M. officials saw the caravan off from Detroit (left to right): E. F. Fisher, M. E. Coyle, Charles F. Kettering, and Harley Earl.



helped to establish Illinois Glass in 1873 at Alton, Ill.

C. B. Belknap is executive vice-president and for years has had charge of the legal work. Harold Boeschenstein is vice-president and general manager.

The company has two main divisions—container and industrial materials.

In the container division are 11 sales managers, each in charge of sales in a separate market, reporting to General Sales Manager F. J. Solon. The industrial materials division is under Mr. Belknap and Vice-President Benjamin F. Hazelton, with W. C. Davis as director of merchandising.

Used Cars in the Way

Automobile dealers' stocks of turn-ins continue to mount but the industry holds that they are not out of bounds, in view of 1936 sales prospects.

WITH new car sales down somewhat from the November-December level, Detroit has its eye trained on the fact that used-car stocks throughout the country are still rising and probably will do so for at least 30 days.

From semi-official sources, *Business Week* learns that these stocks today are close to 550,000 units—which isn't so far from the all-time peak attained early in 1930. That was a time of contracting markets, however, and this year we face an expanding market, so undue alarm is not justified despite the current gains.

On current sales the Federal Reserve Bank of Chicago adds interesting figures. For its monthly business conditions report, this bank does an authori-

tative and widely quoted sampling job on Midwest automobile distribution.

Its latest report shows for December's used-car sales a shrinkage of 4.7% from the total for the previous month, but a 43.4% gain over December, 1934.

At the same time, salable used cars on hand were reported as up 10.1% in number and 4.8% in value from November, 53% in number and 47.2% in value from December, 1934.

Some dealers complain that number of used cars isn't their sole worry; with 60%-80% more "trade-ins" than a year ago, the amount of capital invested has mounted 200% because so many new-car buyers have turned in 1934 or 1935 cars of relatively high value.

The average dealer says he must sell seven used cars for every four new ones to keep his used-car stocks from gaining. Moreover, he could sell nothing but used cars for a month and his inventory of "trade-ins" would decline only one-third, since 66% of all used car sales involve lower-price used cars. However, he can carry three used cars with the same money needed to finance one new one.

Used-car prices have thus far been sustained remarkably well (the cynics declare that dealers must keep prices up unless they want to go smash).

All sorts of inducements are being used to promote used car sales. The latest and most tempting is that of the Aaron DeRoy Motor Car Co., Detroit, distributors of Hudson and Terraplane cars, offering the used-car purchaser 12 months in which to pay, with no finance charges and free insurance.

A Used-Car Plan

The buyer must put up cash or its equivalent for one-third the purchase price and sign a note for the rest, divided into 12 monthly payments. The company absorbs the finance charges and buys the insurance as a protection for itself (the cost of insurance about equals the rebate the finance company would give at the end of the year for volume on time-paper offerings).

This plan, company officials say, gives the used-car buyer a "break," saving him the usual charge of about \$49, or 25%. "Why penalize the used-car buyer in favor of the new-car buyer?"

The used-car situation isn't entirely bearish. Even dealers are perking up at the prospective stimulus of the payment of the bonus, though that doesn't happen until June or July.

How Many They'll Sell

There is still another angle. The industry expects dealers to sell from 4,500,000 to 5,000,000 used cars in 1936 (there are 1.8 used cars sold for every new car). Dealer stocks of 550,000 to 600,000 units aren't out of bounds, in view of these prospects.

There is one disturbing element to dealers. Used-car stocks acquired in any month are sold gradually over a period of the next four to five months. Just as stocks will begin to decline in the spring, new-car sales will go up and used-car stocks may rise with them.

By July or August, when the present model season is drawing to a close, dealers may find themselves no better off than they are now in the matter of used-car inventories.

Factories generally call impractical and unworkable the plan advanced by the National Automobile Dealers Association for establishing a gross profit in the used-car department of dealers. Under this plan dealers would furnish data to an auditing board, and factories would whip their dealers into line.

Selling Yourself



NO ONE knows better than you yourself how much protection you would like to arrange for your family, how much certain security. Figure it out in actual dollars and cents over a period of months and years.

The Field-Man who comes to see you can't give you the benefit of his experience unless you are frank enough to tell him how far short of your goal you now are.

Suppose you now put yourself in his place, in which case you would know the best way to lay out the kind of a Program you really have in mind. You would soon sell yourself part or all of the added protection you intend to have.

When your Field-Man calls next time give him an opportunity to be more useful to you than ever before.



You will still be "selling yourself" the surest protection in the world. Send for him or mail the coupon.

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

Metropolitan Life Insurance Co.,
1 Madison Ave., New York, N. Y.

I am interested in finding out how I can have a Program of Life Insurance that will give me the protection needed for my family and myself.

NAME

ADDRESS

CITY

STATE

(W)

METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, President

One Madison Avenue, New York, N. Y.

© 1936 M. L. I. CO.

The WORD "MUTUAL" ON YOUR FIRE INSURANCE POLICY



Means MONEY in Your Pocket and Safety for Your Property

The purpose of Mutual fire insurance is to provide every possible benefit for the policyholder at the *lowest possible cost*. And the savings produced by sound, successful management belong to the policyholders.

The fundamental soundness of Mutual fire insurance is based on careful selection of risks, intelligent fire-prevention work, a conservative investment policy, and unusual economy of operation. These are the reasons why Mutual fire companies have been able to maintain a 184-year record of stability, and to furnish you, today, with sound insurance that protects your property and puts savings in your pocket.

Write for our free booklet entitled "Mutual Fire Insurance," addressing The Federation of Mutual Fire Insurance Companies, 230 North Michigan Avenue, Chicago, Illinois.

MUTUAL FIRE INSURANCE

An American Institution

This seal identifies a member company of The Federation of Mutual Fire Insurance



Companies and the American Mutual Alliance. It is a symbol of soundness and stability

Safety Rivalry

Automobile manufacturers' drive may check hostile laws; Roper pushed into background.

THE action of the Automobile Manufacturers Association in backing up various organizations working for safety (*BW* — Nov 16 '35) was none too soon. There had been a whispered fear that the growing outcry against motor accidents might result in attempts at legal restrictions on the manufacture of speedy cars.

Justification of this fear appears in a bill introduced in the House of Representatives. It would make unlawful the assembly or shipment in interstate commerce of cars under eight-passenger capacity that can do more than 60 miles per hour. Vehicles carrying more than that would be restricted to 40 m.p.h. Violators could be fined and imprisoned.

No Early Danger

The introduction of such bills doesn't mean that they are going to become law. But it is apt to put ideas into the heads of ardent statesmen seeking a popular issue in an election year.

Meanwhile the industry is speeding counter activities. Alvan Macauley, president of the Automobile Manufacturers Association (and president of Packard), last week announced a co-ordinated safety plan. The entire motor industry "is underwriting the cost" of additional safety measures by cooperating organizations.

The amount of this underwriting is not disclosed but is understood to be several hundred thousand dollars. The association admits a \$54,000 grant to Harvard for its Street Traffic Research Bureau. Recipients of unnamed sums will include the National Safety Council, American Automobile Association (for extension of its school patrols, etc.), International Association of Police Chiefs (for distributing accumulated safety data), and even the Daughters of the American Revolution.

What They Plan

The drive is to stimulate inter-city safety contests, safety lesson contests in schools, support of law enforcement, dissemination through civic and fraternal groups of safety educational material, assistance in training traffic personnel, and cooperation with automobile dealers and owners.

Among agencies pledging their best efforts are the Department of Commerce, the Bureau of Public Roads, and the federal Office of Education. But the last A.M.A. release in the campaign is painfully silent concerning Secretary of Commerce Roper's safety conference some weeks back.

Below the surface of peaceful industry-government cooperation there is an undercurrent of rivalry. In some quarters it is felt that Secretary Roper would

like to capture the safety drive for the benefit of personal prestige.

The charge is made that he produced little but oratory and committee formations at his conference, that he had no platform, and that he slighted automobile men and safety organizations in his appointments.

Auto Circulation

Many states are changing license regulations to keep motors running, increase gasoline revenues.

STATE governments have shifted so radically their systems of automobile licensing that 1936 discloses a revolution in theories back of automobile tags. Generally, they are making it cheaper for an owner to keep his vehicle in operation so that he will use more gas and increase the tax revenue.

Boldest innovator of all is Connecticut. It has adopted (effective Apr. 1, 1937) plates that will be good for five years without change. They are to be of aluminum, hence proof against rust. Initial cost will be higher, but ultimate cost lower than five succeeding issues of the traditional tags. Full details have not been announced but it is understood that an insert will be made each year to show that the owner has paid his fee.

Other Costs Changed

The gasoline tax has been raised from 2¢ to 3¢ per gal. But life of the 1935 tag was pushed forward from New Year's to Mar. 1. Also there was a drastic cut in registration costs.

Seven other states cut registration fees last year. Besides Connecticut, fees on both passenger cars and trucks were reduced in Georgia, Tennessee, Utah, North Carolina and Vermont reduced on passenger cars only, while in Oregon and Washington cuts were on truck fees only.

Losses on license fees are small compared to revenue gains from a greater number of cars running on tax-loaded gasoline. This dollar-impulse has led 30 states to change the license deadline. Merged circumstances work against license renewals on New Year's.

First, the car owner's pocketbook is flat on Jan. 1 as a result of the holiday onslaught. Then, cold weather makes starting hard, driving less of a pleasure. About 25% of all cars are laid up in winter. But if plates are still alive, the owner will continue to use his car.

Some Southern states are experimenting by setting dates forward instead of back. Alabama's tags expire Nov. 14, South Carolina's on Nov. 30. The answer is cotton. Crops are cashed in the fall. Both dates are attempts to hit exact point where finances of planters and cotton pickers are at peak.

FIFTY

FLEETING

YEARS AGO



★ *A lad of twenty-two held in his hand a little pellet of shining metal . . . the beginning of a new industry.*

It was the morning of February 23, 1886, only fifty fleeting years ago. The scene, a woodshed in Oberlin, Ohio. The lad, CHARLES MARTIN HALL.

Every other place in the world, Aluminum was a semiprecious metal, a laboratory curiosity costing \$8.00 or \$9.00 a pound. But at that instant, in that woodshed, Aluminum had at last joined the rank of useful metals.

That hushed moment, with young Hall standing alone with success, was the climax of a feverish search. The inspiration had come from an off-hand observation by his Oberlin College professor, Frank Fanning Jewett, to the effect that the man who could invent a process for making Aluminum on a commercial scale would not only be a benefactor to the world, but would also lay up for himself a great fortune.

Hall's search had been an obsession. Much of his spare time after school hours was spent in dogged effort. But all the chemical knowledge at Hall's command was applied to no avail.

The flash of inspiration had come eight months after he had finished college:—Might not electricity hold the hidden answer?

Borrowing battery jars and plates from the school laboratory, investing meagre savings in a

small clay crucible, making other crude apparatus by hand, he fitted up a laboratory in the woodshed behind his father's house.

Everything ready, he melted cryolite in his crucible, dissolved in it some refined Aluminum ore, switched on his batteries, and waited . . . but still there was no Aluminum!

He pondered the problem. Did impurities in the clay crucible affect the result? A carbon lining would eliminate that possibility. He made one.

Again the experiment was repeated. Hall waited; he emptied the crucible . . .

There were the shining pellets!

Success!

Success that had eluded the efforts of the world's greatest scientists. Success in a woodshed laboratory!

But there were dark days to follow. Two different groups of backers gave up his process as profitless and impractical.

Not until the summer of 1888, when Hall made an arrangement with a group of men who formed The Pittsburgh Reduction Company (now Aluminum Company of America) was Aluminum given its chance to come into its own.

These men foresaw the basis for a new industry in this new metal, which was only about one-third as heavy as older metals, would not rust or tarnish from exposure, and which would conduct heat and electricity rapidly.

A FIFTIETH ANNIVERSARY MESSAGE FROM

A L U M I N U M C O M P A N Y O F A M E R I C A

Bankers' Drive

Regional bank forums to win back public esteem and recapture business from the government.

BEFORE 1929 it was not necessary to smile when you called a man a banker. But after 1929, especially in the 1931-33 spell, it was a different matter.

The men of money and mortgages bent lower and lower under the opprobrium or opprobria that came their way until finally, with the public snubbing them on the streets and the government hooting at them from Washington (not to mention a little government chiseling into their business), the banking fraternity came to realize that something ought to be done.

Last fall President Fleming of the American Bankers Association put his finger on it. Newly elected to his post, he said at once that bankers had a job re-establishing the fact of their humanity and re-asserting their ability to conduct the banking business that was sliding over into governmental hands.

He suggested taking the mystery out of banking, expanding services to the public, and improving public relations. To this end he proposed a series of regional business forums in which bankers could mull over their problems and plan action.

"Take the Mystery Out"

At that time the program was considered a good idea, but as Washington was then uttering distinct reprimands and telling the bankers to go ahead and try to get their business back, implying that they were not worthy, there was little hope that the regional forums would actually meet. It all seemed just a lot of talk.

Last week in Philadelphia 1,500 bankers from 14 Eastern states proved that impression wrong. They held the first of the regional conferences on two

bitter cold days, listened to 45 speeches, took notes, asked questions, barred all entertainment, and definitely proved that the sort of business conference that heretofore had been confined to local clearing house associations was not only possible, but highly productive, on a large scale. In short, they really went to work.

In March the Southern bankers will do the same thing at Memphis, in April the Middle West will do it at Chicago, and later on the Pacific Coast will have its workout.

From now on the public will be made aware of banks and bankers as integral parts of communities. It will note new efforts of banks to supply community needs that heretofore have been slighted. It will witness lower bank costs, which means more efficient banking.

Two of the services recommended at Philadelphia for wider adoption were personal loans and automobile financing. Bankers who have experimented successfully with these departments pushed them as not only good sources of income but as natural banking functions that have lain dormant.

Conferees were strongly encouraged to recapture many but not all of the financing lines into which the government has delved. Not all; for some cannot be duplicated under sound banking principles.

Employees' Credit

Companies are paying more attention to it now, and credit unions have grown in past year.

BIG business had personal financial problems of employees driven home to it by the depression. The consequences are evident today in the increasing attention paid to the financial side of employee relations.

Savings and thrift plans are flourishing, notably in the biggest firms. Consumer credit agencies say that personnel executives are giving them more cooperation in their educational programs, which are designed to direct borrowers and instalment purchasers toward the legitimate loan sources and away from the sharks.

Company Savings Plans

Figures provided this week through a survey by the National Industrial Conference Board disclosed that 16% of a group of companies that were questioned have savings plans under which regular sums are deducted from pay envelopes for deposit in savings accounts. Over 7% have building and loan associations or other home purchase plans in operation.

The biggest recent development has been in credit unions, which are mutual savings and personal loan organizations.

The movement for credit unions was started in 1910 by Edward A. Filene. Fostered for a quarter of a century by Mr. Filene, mainly through his Credit Union National Extension Bureau and his Twentieth Century Fund, the unions have blossomed within the past year.

There are now 4,300 in operation, almost 1,000 of which are the new federal charter unions that were promoted by the federal government as a side issue of the Farm Credit Administration.

New ones are springing up at a rate of 150 monthly, and they are adding 7,000 members a week. The total membership is estimated at 1,000,000, and the savings credited to members are estimated from \$50,000,000 upward. Loans, made only to members, turn these funds over about twice yearly, meaning an aggregate volume above \$100,000,000.

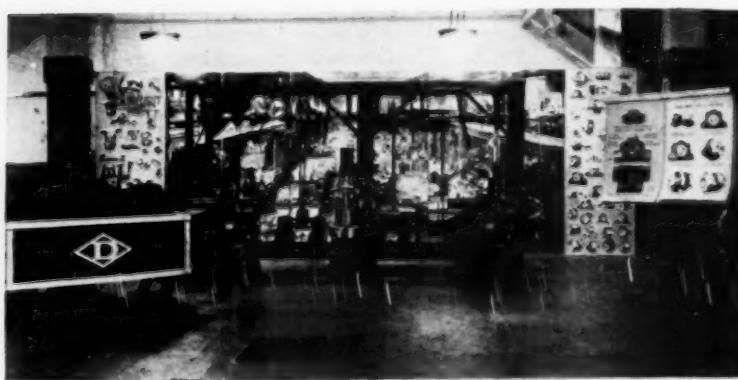
Many Kinds of Unions

Federal and state-chartered unions pooled interests last year in a brand-new Credit Union National Association.

Employees of large corporations have been the best field for credit union development. But there are many community unions for both rural and city sections, and there are also credit unions in various organizations—professional, labor, fraternal, religious, and other.

Many of the big companies have strings of unions, by departments and branch offices, as in the duPont companies, Swift & Co., Armour & Co., the Standard Oil companies, International Shoe Co., Sears, Roebuck, International Harvester, American Rolling Mill.

Armco has unions in each major plant. In one plant 2,443 out of 3,000 employees are members. "A large number of our men who never saved a dollar before in their lives," says an Armco official, "now have built up reserves in the form of credit union stock which they would not otherwise have had."



POWER ROUNDUP—This is the season for shows, and Dodge Manufacturing Corp. is out on the road already with its industrial exhibit, hammering home the slogan "The Right Drive for Every Job." Dodge distributors will direct the showings in various cities. Against a backdrop showing an interior view of the Dodge plant, cut-outs of intricate machines are displayed.

The Power of Economy

Not so many years ago, an 80-horsepower engine was a big engine . . . heavy, cumbersome, costly to operate, expensive to maintain. But Ford has changed all that. The Ford V-8 Truck engine is so efficient that it develops more than 80 horsepower . . . yet, with all this power, it is light in weight, responsive, easy on gas and oil, economical to maintain. And today's 80-horsepower Ford V-8 Truck sells for a mere fraction of the price you would have paid for that same amount of power just a few years ago.

That explains why so many operators who have always needed powerful trucks are changing to Fords and discovering the Power of Economy. It also explains why owners of lower powered trucks are buying Fords and getting the power they have always needed, but thought they could not afford.

Ford V-8 Trucks have been PROVED BY THE PAST and IMPROVED FOR THE FUTURE. Your Ford dealer invites you to make an "on-the-job" test of a 1936 Ford V-8 Truck . . . with your own loads . . . under your own operating conditions.

THE FORD V-8 HYDRAULIC DUMP

80-horsepower V-8 engine with valve seat inserts, connecting-rod bearings of special composition, full-length water-jackets, dual carburetor. Full-floating rear axle with straddle-mounted pinion. Full torque-tube drive with free-shackled, semi-elliptic rear springs. Quick-action brakes. All-steel coupe-type cab with Safety Glass standard equipment in all windows. 1½ cubic yards capacity.

THE 1936
FORD V-8
TRUCKS



THE BUSINESS ROUNDUP

1935 Compared with 1934

PRODUCTION		TRADE		PRICES	
	Steel + 31 %	Check transactions: N. Y. C. + 13 % 140 Cities + 11 % + 15 %	Carloadings: Grain - 4 % Livestock - 34 % Coal and coke + 0.4 % Forest products + 20 % Ore + 25 % L. C. L. - 2 % Miscellaneous + 7 %	Wholesale prices: Farm products + 21 % Food products + 19 % Hides and leather + 3 % Textiles - 3 % Bldg. materials - 1 % Chemicals + 6 % Metals - 1 % Raw materials + 12 % Semi-manufactures + 1 % Finished products + 5 %	Construction costs - 2 % Dept store prices - 2 %
	Automobiles + 46 %				
Construction:	+ 20 %				
	Residential + 92 %				
	Non-residential + 24 %				
	Public works and utilities - 8 %				
	Lumber + 12 %*				
	Electric power + 9 %*	Machine tool orders + 86 %			
	Hard coal - 11 %	Cement shipments - 1 %			
	Soft coal + 2 %	 Paint, varnish, lacquer sales + 21 %*			
	Petroleum + 9 %*	 Passenger car sales + 45 %*			
Oil wells drilled	+ 21 %*	 Truck sales + 28 %*			
	Textile mill consumption: Cotton + 4 % Silk + 8 % Wool + 83 %* Rayon + 29 %	 Household refrigerator sales + 14 %*			
		 Washing machine sales + 12 %*			
		 Oil burner shipments + 55 %*			
		 Retail trade: Department store sales + 5 % Variety sales (5¢-\$1) + 1 % Rural sales + 19 %			
	Cigars, cigarettes + 7 %	Life insurance sales + 3 %	Stock prices + 8 % Bond prices + 3 %		
	Factory employment + 4 %		 Farm income + 9 %		
	Factory payrolls + 13 %		Dividends + 10 %		

* Preliminary

Business Week

Road-Builders Ready

Expecting a big year, they display a lot of improved machinery at Cleveland show.

ROAD-BUILDERS revealed confidence during the road show in Cleveland last week, in terms of practical preparation for a big year.

Reports from Washington are that the \$125,000,000 that had been expected as federal highway aid will not be forthcoming, but despite this the first real road show in five years had an attendance that astonished observers.

Nearly 20,000 men of the contracting and allied industries were there. Substantial sales were made.

More Efficient

The show presented developments in machinery rather than road-building materials, and indicated improved operating efficiencies ahead.

Heavy earth-moving equipment is mounted on rubber, the long-popular crawler treads having given way to huge pneumatic tires.

This earth-moving equipment is also turning to large capacity units and more specialized machines. Power shovels don't feature convertibility. Salesmen used to hold forth on the advantage of taking off the shovel boom and substituting a crane boom or a drag-line boom. They are now stressing special equipment for a major purpose.

This specialization is not all running to size, however. Manufacturers have brought out a $\frac{1}{2}$ cu.yd. power shovel on crawlers for use in grading secondary farm-to-market roads. It is cheaper and handier than the usual 1 or $1\frac{1}{2}$ yd. size.

Concrete pumping is also improved, for delivery through a pipe-line from a piston pump to distances of 1,000 ft. or elevations of 50 to 75 ft., without "segregation" of the mixture.

Concrete Vibrators

Machines for vibrating concrete to permit the use of a drier mix are more numerous, and so are multiple-roll smoothing-rollers for accurate finishing.

Shaping of structure and parts for weight efficiency has made a marked advance, approaching machine-tool efficiency. There is a wide use of welded plate frames and bodies and of alloy steels, with better appearance obtained in details as well as in finish.

Diesel power is gaining on cranes, shovels, compressors, carry-all-scrapers, tractors, and concrete mixers.

The safety movement was prominent during the convention of the American Road Builders Association, held at the same time as the road show. Stress was laid on making roads safer to drive on by separating traffic lanes by parkways, by giving adequate vision on curves and hills, and by adequate illumination. The three-lane highway was condemned.



★ Century Squirrel Cage Motors

start quietly, run quietly, are conspicuously free from vibration and assure a long life of satisfactory service.

That's why they occupy a dominant position in the fields of Commercial Refrigeration and Air Conditioning.

CENTURY ELECTRIC COMPANY

1806 Pine Street • • • St. Louis, Mo.

Offices and Stock Points in Principal Cities



Constitution Worry

All of a sudden a lot of senators and representatives get conscientious; result: trouble in drafting farm relief.

A NEW and acute case of constitutional consciousness in Congress is causing the Administration no end of trouble in putting through a substitute for the Agricultural Adjustment Act.

President Roosevelt, Secretary of Agriculture Wallace, and Chester Davis, Agricultural Adjustment Administrator, wanted to rush through their elaboration of the Soil Conservation Act, irrespective of constitutional questions.

They expected to have time to work out permanent plans, probably state regulation induced by grants in aid, before the makeshift came to court test.

Constitutional Conscientiousness

But Senators Norris and McNary balked and now most of the Senate and many House members have developed a sudden concern for keeping within the Constitution.

Permanent plans, hinged on creation of 48 state Agricultural Adjustment Administrations, were never in the cards for this session. Time would not permit, and furthermore, what cooperation by way of supplementary state legislation could the Administration expect from Governors Landon of Kansas, Talmadge of Georgia, Olson of Minnesota, etc.? In addition, little AAA's in Oregon and California have already been knocked over by the court.

Constitutional sharks on Capitol Hill await the Tennessee Valley Administration decision as a possible source of help in framing an AAA substitute. They think the court may clear up some knotty points about the precise limits of federal powers which the six majority justices rather dodged in the AAA case.

With such clarification provided, the Administration plans might be put through without wholesale changes. Otherwise the new farm-relief program will become a hodge-podge, containing parts of nearly all the old and new schemes of rescuing the farmer.

Five Possibilities

The plan may turn out to be quintuplets, namely (1) export debentures for some crops, (2) domestic allotments for others, (3) conservation of soil, (4) erosion control, (5) land retirement for such purposes as reforestation.

If numbers 3, 4, and 5 are not broad enough to provide acreage control, even a sixth may be tacked on. This would be a disguised provision allowing acreage to be held idle without excuse.

This week the Senate Agricultural Committee passed up export debentures for the time being, but these are the McNary pets, and Secretary Wallace might be inclined to swallow them as

quinine coating to a production-control pill which he thinks his patient must have.

These forebodings arise because farm legislation is now up against the inertia of hostile coalitions in the House and the Senate. A farm-relief program that attempts to ally enough of these into a favorable coalition must be Dionne.

Moreover, the four weeks' delay has taken most of the urgency off quick replacement of AAA. It looks now as though Secretary Wallace might not have been politically wise to raise the issue of getting new legislation before cotton planting started.

If that deadline is violated, it will be harder to argue urgency, because the next important planting season is in the corn belt, where unrestricted feed crops would promise cheap stuffing for high-priced hogs, and this might cause a one-season boost in farm incomes.

The tax bill under any farm plan will be about the same. Mark down first \$238,000,000 to pay the balances on AAA contracts. Then add at least \$350,000,000 to \$400,000,000 for annual check payments, but bear in mind that politics will probably raise this to \$500,000,000 or \$600,000,000.

Fertilizer on the Up

Manufacturers expect 8% or 10% increase in sales this year. Made money in 1935.

FERTILIZER makers this week said they expect to do 8% or 10% more business in 1936 than they did last year.

The increase would be 12% to 15% if all restraints were lifted from farm

production, but new federal regulation is expected.

Last year 6,200,000 tons of fertilizer were sold—72% of the all-time peak, in 1929. But sales were 12% above 1934 and were profitable, despite lower delivered prices to farmers than for many years. This was in striking contrast with the profitless prosperity in 1928 to 1930, when about 8,500,000 tons per year were sold.

The higher profits are largely due to continued observance of self-restraint in marketing and elimination of price-cutting after the season's peak.

The industry will soon have a new code of voluntary trade practice rules under the Federal Trade Commission plan. It still hopes to get permission for open price-filing.

The activities of the Tennessee Valley Authority last year offered some new technical information. TVA gave substantial tonnages away for experimental, demonstration, and government use. However, it did not sell any of its production. Even so, some commercial groups fret because the free supplies cut into their sales.

Reorganizations Lend Stability

Important steps in stabilization of the industry came from two corporate reorganizations late last year. Virginia-Carolina Chemical Co. finally voted out of management the broker-led preferred stockholder group that temporarily had partial control. An aggressive marketing organization is being rebuilt.

Davison Chemical Co., long in the federal courts under receivership, was released to run its own affairs with new well-financed experienced management in charge. This company also was strengthened during the year by absorption of the Ober Chemical Co.

The Department of Agriculture recently forecast a further decline in the price of fertilizers. Impartial observers think this a poor guess. Perhaps official hope inspired the prediction.



Wide World

ONE THING WE MIGHT DO—In the thick of the farm relief conferences, studying all phases of the search for a substitute for AAA, are Chester Davis, Secretary Wallace, and Senator Ellison Smith (left to right). This week, Senator Smith's Agricultural Committee finished its consideration of one bill (the Bankhead-Jones plan, popularly known as the soil conservation bill) and turned the question over to the Senate for further debate.

In the Bag for Borden

Dairies defeat move to force 1¢ higher price on milk in paper containers, as now sold to stores.

MILK in fiber containers is no new development, but its progress at the expense of the orthodox milk bottle was emphasized in a brief struggle last week.

This took place before the New Jersey Milk Control Board, which held a hearing on the question whether to compel Borden to charge 1¢ more for store milk sold in fiber containers.

Glass interests are understood to have prompted the hearing. The board refused to order a price increase.

When American Sealcone and American Can companies introduced the fiber container some four or five years ago, dairies found it well adapted for the packaging of small amounts of milk for school use. Since that time, particularly in the past year and a half, its advantages for use in stores, where dairies customarily exact a 3¢ bottle deposit, have become apparent, as technical improvements have made it possible to package full fluid quarts without appreciable leakage.

Complaint Is Chronic

Borden has been using the paper container for some time in the Greater New York area, notably in chain stores in the Bronx and in central and southern New Jersey. Introduction of the package has always been the signal for a sudden outcry from labor leaders, glass interests, and competitive dairymen who must continue bottle deposit insurance.

They usually demand that local authorities set the price of milk in paper containers at a 1¢ higher price in the interests of fair trade.

Such moves forced the withdrawal of paper containers from the Bridgeport, Conn., market and the abandonment of plans for their introduction into various sections of Massachusetts.

Borden has just introduced the paper "bottle" into 200 American stores in Northern New Jersey and is planning extension of the packaging plan in a number of Great Atlantic & Pacific Tea Co. outlets. Its new "Pure-Pak" containers are turned out by the dairy itself on machines which it has leased from the Ex-Cello Aircraft & Tool Co.

Comparative Costs Listed

In protesting—and successfully defeating—the proposed 1¢ price differential before the New Jersey Milk Control Board last week, Borden admitted that the cost of the containers averaged about 1¢ apiece, as contrasted with the 5¢ cost of a milk bottle good for an average of 25 to 30 store trips.

This extra expense, however, Borden maintained, was more than offset by several economies: bottle washing is eliminated, and larger quantities of milk

can be loaded on lighter trucks, handled more expeditiously.

Glass bottle advocates point to the fact that Borden does not plan to use paper containers for its home delivery business as evidence that the packaging system cannot be as cheap as claimed.

But Borden sticks by its guns, asserting that the economies of the paper containers are actually limited to large-scale store business.

Can They Can It?

And can they still keep orange juice flavor? That's the problem. More canned juice sold.

CANNED fruit juices have come to mean so much to the early morning ease of American families that the orange growers are making another try for a larger share of the fruit-juice market.

In 1932 several California packers tried canning in a small way, but when the juice came down off the grocers' shelf it tasted stale. And that was that.

But the producers have been working on the problem ever since, and they have made so much progress that last season 500,000 cases of canned orange juice were marketed.

The juice is palatable and would appeal to anyone not accustomed to the delicacy of a glassful freshly squeezed for breakfast. But the regular orange-juice addict is not satisfied.

Orange juice is very sensitive to oxygen. Let it stand a bit and the fine flavor is gone. And there seems to be enough exposure in the ordinary process of canning to spoil it for the pampered palate of the present-day public.

Even frozen orange juice failed, though some four years ago Borden and National Dairy Products spent a young fortune on it, planning for delivery with the morning milk.

Big Market Ahead

The popularity of home-squeezed orange juice presages a large expansion in demand when quick breakfasters can get orange juice in a jiffy from a can.

Many sections of the mid-continent and mountain markets are poorly served with oranges, shipped back from distributing points in less-than-carload deliveries, which arrive in bad condition. Moreover, California Valencia oranges periodically glut the market with a bumper crop, which could be salvaged by canning.

The California Fruit Growers Exchange has been experimenting with trial packs. Libby, Tree Sweet, and Sussman, Wormser are the largest orange juice canners. Libby uses a lined can. Tree Sweet has begun a national advertising campaign. Calpack is reported ready with a well-tested Del Monte product in a specially prepared can.



*When notes are blue, and pretty hot too,
They've got to be true—or be awful!
A trombone slide must easily glide
Or notes may be beside most unlawful!*

YES, indeed! Tooting a bit of modern high speed jazz, a good "hot" trombone player often shoots the slide back and forth 25 feet a second. With clearance of .003 inch this slide has to float on a perfect oil film. Much of the trombone lubricant used is sold by C. G. Conn, Ltd.—and made with Standard Oil (Indiana) products.

Few lubrication problems are like this one. In fact most lubrication problems present their own individual differences. That is why the method of buying lubricants for industrial use has rapidly changed.

Today, Standard Oil (Indiana) Engineers, lubrication specialists, can be called into any plant in 13 Middle-western states on a moment's notice. They bring valuable experience and information to men in the plant, and help to overcome careless and wasteful oiling methods. The plants they serve get effective, low-cost lubrication—not merely pounds of grease and barrels of oil—for their money.



ONE of these engineers recently ran a test on two Diesel engines in a flour mill—a test, using Nonpareil Diesel Oil, which resulted in a saving of \$8.00 per 24-hour day.



AN automobile parts manufacturer, although satisfied with the performance of Standard (Indiana) cutting oils in use, let the Standard Oil engineer make a 3-month test after adopting improved practices. This showed that a saving of \$350.00 per month could be made on cutting oil purchases and set a new record for tool life. "By _____! that's service," said the superintendent. It's the kind of service you'll get when you call your local Standard Oil (Indiana) office.

Write for these, or similar booklets covering specific lubrication problems. Standard Oil Co. (Indiana), 910 S. Michigan Ave., Chicago, Ill.

<input type="checkbox"/> "The Lubrication Engineer—His Value to You"	<input type="checkbox"/> "Lubrication in Grinding Operations"
<input type="checkbox"/> "Diesel Cylinder Lubrication"	<input type="checkbox"/> "Lubrication in Gear Cutting Operations"
<input type="checkbox"/> "Lubrication of Air Tools"	(265)

Name.....

Address.....

City..... State.....

**STANDARD OIL COMPANY
(Indiana)**

CORRECT LUBRICATION

** Listen to Jack Hylton on your Radio Every Sunday Night at 9:30 (C. S. T.)*

Magazines, Newspapers Rally Forces

Young report, filed this week, starts Curtis, Crowell, McCall, and Hearst periodicals on cooperative promotion road. All-industry Newspaper Institute discussed.

TRADE comment refers to them as "anti-radio" drives, but newspaper and magazine men describe their promotion moves in more positive terms. That is, they do on those rare occasions when they will talk at all.

This week, however, one move on the checkerboard of media competition was overt and definite. Prof. James W. Young of the University of Chicago, author of a famed study of agency compensation and former vice-president of J. Walter Thompson Co., filed with his four employers, the Curtis, Crowell, McCall, and Hearst periodical publishing houses, his first report on what magazines might do to better their place in the sun.

Badly hit during the past five years, magazine publishers last fall finally agreed on the desirability of burying their sharpest promotion hatchets and of cooperating for the first time in history in an all-industry campaign. So they came to Prof. Young to find out where they stood, what they should do.

The preliminary report is, of course, confidential, but it is generally assumed that among other observations and conclusions it points to these:

(1) Since 1929 magazine revenue has dropped off 50% or more.

(2) Radio competition cannot be blamed exclusively for this slump, for big advertisers who used both radio and magazines decreased their appropriations for the latter medium little more than did non-radio advertisers.

(3) Closely linked to general business welfare but lagging slightly behind that cycle, magazine lineage should pick up appreciably.

(4) Off-line leaders have sacrificed prestige and profit to fast-moving youngsters that have stepped into the scene with costs and contents in tune with the times.

(5) More extended study is needed to appraise the special value of magazine coverage and to indicate those lines from which advertising can be solicited with the best assurance of return, be-

fore any definite promotion campaign is launched—if ever.

Meanwhile, on the newspaper front similar steps toward concerted action are being taken, largely at the instance of the Chicago and New York Newspaper Representatives Associations. Newspaper representatives live and eat by the volume of national advertising. When it slumps more than 40%, as it has from its 1929 peak, their income suffers a roughly comparable reduction.

Representatives blame three causes for the past 5-year slump: (1) the depression, (2) radio, (3) failure to maintain the national-local rate differential. They can't do much about No. 1, but No. 2 furnishes them with a fine standard around which to rally all the various publishing interests necessary to a correction of No. 3.

Publishers' Support Vital

They realize that full cooperation from publishers is imperative if the placing of national copy through local dealers and distributors at the uniformly lower local rate is to be stopped. Thus far, they have succeeded in arousing some support from newspaper advertising managers and even from advertising agencies, as well as a publisher or two. But the American Newspaper Publishers Association and its Bureau of Advertising still stands aloof, refuses to discuss the question.

An all-embracing organization to promote the cause of national newspaper advertising might, they think, turn the trick. Meeting in Cleveland recently after an extensive exchange of correspondence, delegates from the Chicago and New York representatives' clubs and the Newspaper Advertising Executives Association laid their first nebulous plans for a National Newspaper Institute in which A.N.P.A.'s Bureau of Advertising might eventually be persuaded to pool its interests in a basic promotion job.

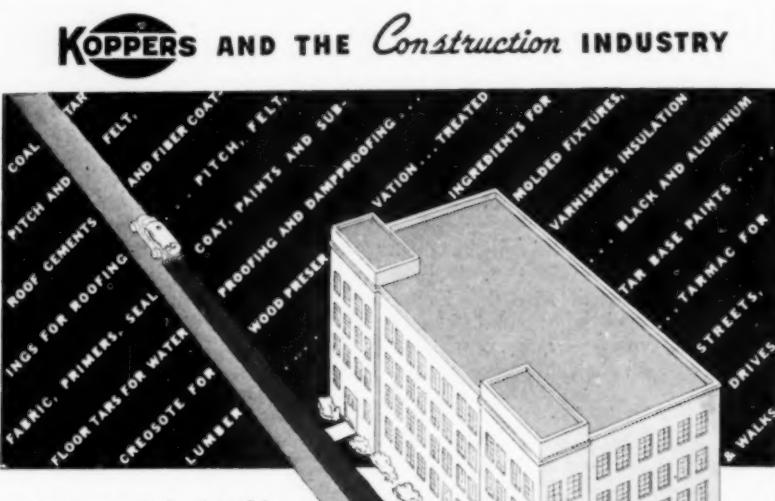
New "Goodwin" Plan

Religious press launches simplified version of scheme to sell goods through church workers.

THE Goodwin Plan idea, under which church workers are organized to sell goods, arose in a new form last week and under new auspices—and not under the Goodwin name.

While the Goodwin Corp. (BW—May 18 '35) languished in Chicago bankruptcy proceedings, a group of 15 Protestant and Catholic publications, the Religious Press Association of Philadelphia, stepped in with a plan of its own to capitalize on that powerful word-of-mouth publicity which advertising men so enthusiastically extol.

By the backers' own admission, the



To thousands of architects and engineers . . . to hundreds of roofing contractors and waterproofing contractors . . . to countless building owners and maintenance executives . . . to painters, paving contractors, specification writers and to scores of other people engaged in the construction industry, Koppers is a familiar and respected name, a favorite and trusted supplier of materials.

KOPPERS PRODUCTS CO.
PITTSBURGH, PENNSYLVANIA

plan, launched in February issues of their magazines, just off the press last week, has all "the good of the Goodwin plan without its headaches."

Observers say the main headache in the new plan may come when A. O. Goodwin frees himself of his legal embarrassments and tries to capitalize on his property right—if any—in the church "broadcasting" idea.

In the new simplified structure a dozen manufacturers—all but one of them represented in the old Goodwin lineup—have joined forces to form the Manufacturers Church Aid Association.

No Elaborate Catalogues

One headache they are avoiding is the cost of an expensive catalogue; more than a million of the Goodwin catalogues are piled in warehouses today. The M.C.A.A. advertises those wares on which it is willing to pay cash premiums to church buyers in the Press Association papers, which have a circulation of about half a million.

The next Goodwin headache which M.C.A.A. seeks to dodge is the cost of high-pressure promotion. Mr. Goodwin had detailed plans for an elaborate field force. His own district managers were scheduled to be top kicks in the army.

Non-coms were to be appointed in every church, and each of these active workers was supposed to contact a squad of ten, drumming up sales of those products included in the Goodwin Plan, collecting the labels and box tops, and cashing them in at the Goodwin offices.

Under the new plan, a box will be put up in each church and members may deposit labels and box tops in it. One designated member in each group will periodically redeem the sales evidences at M.C.A.A. headquarters.

No Flat Payment Rate

The biggest problem that M.C.A.A. will duck is the flat 3½% levy on an arbitrary retail sales price which all Goodwin manufacturers were expected to pay on sales. In the new setup each manufacturer simply indicates what he's willing to pay on his product.

Some specimen premiums: Bost tooth-paste and toothpowder, 1¢; Barbasol, 1¢ to 3¢, depending on size; Barbasol blades, 1¢; Kremil hair tonic and shampoo, 1¢ to 3¢; Sapolio, ½¢; Vapex, 2¢; Burnett's extracts, 1¢ to 12¢; Mary Garden perfume, 3% of price paid; etc.

M.C.A.A. announces that out of the goodness of its heart it will even redeem the sales evidences accumulated under the Goodwin Plan.

The first advertisements take up a full page and a column. If other manufacturers join up, space will be expanded, and additional coverage will be sought in other religious and trade papers.

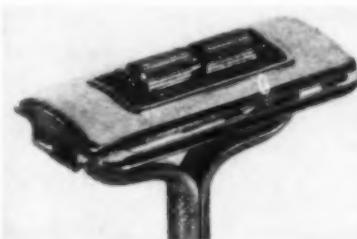
Also in the works is a small folder—nothing elaborate—outlining the plan in greater detail. Backers report an encouraging response to their announcement.

New Products

New things, new ideas, new designs, new packages, new manufacturing and marketing methods.

THROUGH its plastics department, General Electric Co. has begun to market a line of non-electric plastic novelties including toy and household dishes, Christmas tree ornaments, and other items, all featuring animated movie-cartoon characters produced by Mintz Studios and distributed by Columbia Pictures Corp.

A NEW machine for testing wearing quality of carpets and lighter textile fabrics, offered by the Shawmut Engineering Co., is entirely automatic, simulates wear in all directions, measures the wear—without stopping—every 20 minutes and records results on a chart in terms of 1/1000 of an inch. It stops automatically when the fabric has "worn out."



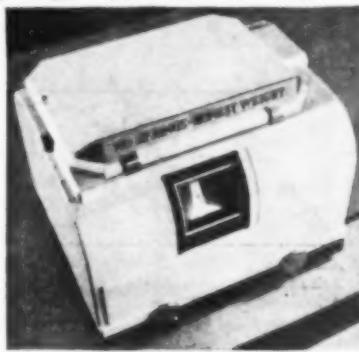
REDOX rolling razor, advertised by Redox Razors, Ltd., is designed for use like any stem-handle type of safety razor but is provided with small rollers which transmit an oscillating motion to the blade as the razor is drawn over the skin. This side-to-side cutting motion is said to produce satisfactory results regardless of the condition of skin or beard.

THE Numberall Stamp & Tool Co. offers the Numberall Stamp for permanent marking of metal parts. Its wheel-shaped numbering stamps are made of hardened tool steel and are provided with setscrews by which the depth of the stamping is regulated.

METSO-66 is offered by Philadelphia Quartz Co. for cleaning metal parts prior to plating or enameling. It may be used in its original powder form for direct application, particularly in removing grease, or can be dissolved in water.

MICROMAX smoke-density recorder is offered by Leeds & Northrup Co. for measuring the smoke density at the stack, recording it at any desired point, and signalling major changes to the engineer in charge. It is automatic in operation and provides a complete, filable record of performance.

PLASKON



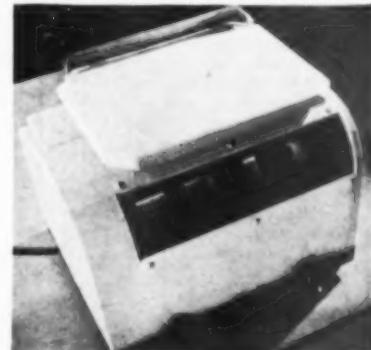
Front View

Thrice-Blessed Event—Five months ago the Toledo Plaskon Duplex Scale was announced. Its reception since will interest other manufacturers considering redesign of their products.

PROSPECTS welcome the Plaskon Scale—for its compact, modern beauty, its reading and weighing accuracy—and for its permanent, lustrous, one-piece, solid-Plaskon cover.

TOLEDO SALES MEN find new selling enthusiasm—in its exciting new features—and in the new ease of demonstration due to a 63% reduction in weight.

THE TOLEDO SCALE COMPANY enjoys a new and "highly satisfactory" sales volume. They report, "The Plaskon cover helped us take 100 pounds dead weight off the scale—and reduce costs as well. Since the cover is all-Plaskon, there is no surface-finish to chip, or discolor. The 'finish' goes all-the-way through. The Plaskon Scale is already proving one of the most popular models in our history and Plaskon is certainly a major factor in its success."



Rear View

PLASKON is a urea formaldehyde plastic material. It is colorful, strong, corrosion-resistant, impervious to nearly all chemicals. It is molded easily into any shape, in any color (at present there are 7,282 color shades.) Become a free subscriber to the Plaskon Parade—a newsy, pictorial digest of plastics and Plaskon doings. Simply address—

PLASKON COMPANY, INC.
2115 SYLVAN AVENUE
TOLEDO, OHIO

Formerly Toledo Synthetic Products, Inc.
CANADIAN AGENTS, CANADIAN INDUSTRIES, LTD., MONTREAL, P. Q.

Where the Work-Relief Money Goes

(Thousands of Dollars—000 Omitted)

STATE	MONEY ALLOTTED	MONEY SPENT (as of Dec. 31, 1935)								UNEXPENDED BALANCE
		Total Spent	Federal Emergency Relief Administration	Emergency Conservation Work	Works Progress Administration	Roads, Grade-Crossing Elimination	Public Works Administration	Resettlement Administration	Other Agencies	
Alabama	\$60,251	\$22,763	\$10,136	\$5,733	\$4,289	\$1,258	\$466	\$345	\$536	\$37,488
Arizona	35,969	16,431	5,743	8,191	700	996	59	742	19,537	
Arkansas	53,392	24,377	11,968	6,804	3,202	1,235	612	556	29,215	
California	275,647	100,866	66,249	17,066	9,484	1,735	1,219	436	4,677	174,781
Colorado	48,760	23,347	12,209	4,866	2,987	1,443	3	989	850	25,414
Connecticut	35,065	14,444	8,427	2,552	2,438	414	126	96	391	20,621
Delaware	8,193	2,609	418	838	274	314	50	715	5,584	
District of Columbia	54,447	21,823	7,094	1,026	2,580	410	144	3,566	7,003	32,624
Florida	55,632	21,388	10,921	3,765	3,129	886	69	145	2,473	34,244
Georgia	64,571	24,691	10,817	7,536	3,813	1,215	552	758	39,881	
Idaho	31,302	14,030	3,808	7,794	744	697	11	30	946	17,272
Illinois	222,212	96,250	69,242	11,123	11,198	2,354	704	378	1,251	125,962
Indiana	83,305	33,547	13,051	6,031	12,244	1,691	56	171	303	49,758
Iowa	41,216	14,387	5,547	4,767	1,420	2,118	65	86	384	26,829
Kansas	49,179	20,380	10,732	3,049	2,965	2,085	2	1,067	480	28,799
Kentucky	60,502	22,182	10,809	7,146	2,269	1,377	225	8	348	38,321
Louisiana	45,667	22,394	11,633	5,997	2,903	957	485	419	23,272	
Maine	23,242	11,095	4,333	2,267	550	715	33	3,197	12,147	
Maryland	51,464	17,720	7,414	4,488	1,393	248	2,960	244	973	33,744
Massachusetts	144,829	63,647	45,182	7,485	6,039	803	1,645	14	2,479	81,182
Michigan	126,046	34,714	30,713	10,822	8,078	3,446	539	51	1,065	71,332
Minnesota	84,088	40,495	20,111	10,804	5,885	2,022	518	335	820	43,593
Mississippi	39,195	18,265	8,384	6,592	1,601	1,097	1	291	299	20,930
Missouri	81,526	35,515	20,141	6,961	4,527	2,088	264	76	1,458	46,011
Montana	51,338	22,499	5,736	4,282	1,206	1,515	30	115	9,615	28,840
Nebraska	41,283	15,857	8,072	3,572	1,407	1,295	460	528	523	25,425
Nevada	10,506	4,656	1,072	2,311	213	934	56	70	5,850	
New Hampshire	12,175	5,264	1,333	2,719	581	367	53	211	6,911	
New Jersey	113,322	44,870	28,046	5,227	8,104	414	587	632	1,860	68,452
New Mexico	35,567	15,715	6,561	5,968	1,165	1,067	63	891	19,852	
New York	460,188	229,800	126,089	15,981	74,798	3,728	5,190	72	3,942	230,388
North Carolina	52,350	23,258	10,622	8,615	1,815	1,420	29	176	581	29,092
North Dakota	26,977	11,146	7,442	2,042	686	555	187	234	15,831	
Ohio	213,553	82,422	50,759	7,623	18,247	2,405	2,009	206	1,173	131,130
Oklahoma	68,855	26,804	13,604	6,722	3,878	1,503	197	327	573	42,051
Oregon	38,188	15,984	4,915	7,584	1,431	1,206	3	129	716	22,204
Pennsylvania	320,858	148,813	98,782	20,485	22,753	3,278	173	291	3,051	172,044
Rhode Island	15,707	4,301	1,590	884	1,320	390	3	114	11,406	
South Carolina	42,416	17,396	8,354	5,531	1,467	692	369	74	909	25,019
South Dakota	25,493	12,447	5,490	3,736	900	961	*	1,087	273	13,046
Tennessee	62,835	24,952	10,794	8,402	2,637	1,487	1,041	302	289	37,883
Texas	152,153	56,376	25,877	11,926	3,564	4,508	8,547	737	1,217	95,777
Utah	26,933	11,889	5,176	4,133	1,274	828	20	145	313	15,044
Vermont	14,967	7,356	897	3,376	489	366	52	176	7,611	
Virginia	53,166	24,633	9,065	11,068	1,918	1,225	332	94	931	28,534
Washington	83,174	29,119	12,703	7,899	2,143	1,200	81	5,093	54,055	
West Virginia	58,934	22,513	11,698	6,075	2,715	491	64	488	982	36,421
Wisconsin	109,282	46,004	21,256	11,993	6,607	1,851	10	217	4,070	63,277
Wyoming	25,420	6,460	1,836	2,704	621	843	147	309	18,959	
Puerto Rico	49,752	9,961	8,611	592	*	*	*	758	39,791	
Virgin Islands	1,131	180	98	76	*	*	*	6	951	
Hawaii	8,236	2,835	1,915	688	51	*	*	181	5,401	
Alaska	2,759	1,272	573	295	*	*	9	395	1,487	
Not allocated to particular states	283,562	10,250	*	*	188	*	4,821	5,241	273,312	
Warrants pending approval	7,822	*	*	*	*	*	*	*	7,822	
Unallocated	55,196	*	*	*	*	*	*	*	55,196	
TOTAL	\$4,300,000	\$1,672,394	\$894,048	\$328,211	\$256,653	\$66,370	\$28,137	\$21,154	\$77,821	\$2,627,606

*Less than \$1,000.

Since the \$4,880 million work-relief program was first put down on paper a year ago, 1,672,394,305 dollars have rolled on their way to stimulate recovery.

Because the program was so long in getting under way, more than half the money spent before Jan. 1 was dissipated in prolonging direct relief by grants to the states.

To judge the significance of the program as a business stimulant, look at the total expenditures of \$1,672.3 millions, as classified in the next column.

	Millions
Federal payroll	\$473.8
Supplies and materials	125.1
Rent	9.7
Construction & repair contracts	32.7
Grants, mostly relief	956.3
Contractual services	28.8
Equipment purchases	17.0
Land purchases	12.2
Loans (PWA)	15.3
Unclassified	1.4
Total	\$1,672.3

A remainder of \$2,627.7 millions is still to be spent, but all except \$55 millions has been allocated by the President.

Deductions prior to final enactment of the law, principally for direct relief, cut the \$4,880 millions to \$4,500 millions, and it was further reduced to \$4,300 millions, as the President has drawn on unexpended funds of the Reconstruction Finance Corp. for only \$300 millions instead of the authorized \$500 millions.

He is likely to pick up this \$200 millions when his new budget starts pinching.

Down Goes Liquor

50% tariff cut on imported liquor and gin starts a wide series of price reductions.

OUR resurrected hard-liquor industry now has abundant proof of its contention that reduction of tax burdens would bring good whiskies within reach of the many and hasten the bootlegger's exit.

But the trouble, from the American producers' viewpoint, is that the reduction has not come in excises; it has come in the tariff.

On Jan. 1 a cut in the duty, from \$5 to \$2.50 per gal., armed Canadian and British producers for a wide drive on American liquors. And February sees an extension of the attack to the gin front.

Today (Feb. 1) inaugurates a reduction identical with the above on gin from the Netherlands, because of a new treaty. England gets in on this as she did on the Canadian treaty—through operation of the "most favored nation" principle.

The results of the gin reduction are not expected to be so drastic. For one thing, age and accumulated supplies are of less importance in gin than in red liquor classifications.

It was conceded as soon as the new tariff rate was announced that Canadian companies would cut prices on bonded goods. But it was not generally expected that there would be wide and deep slashes affecting every price range down to the \$1-a-pint brands which represent 70% of the market.

Parade of Price-Cuts

Seagram led the parade. Its "V.O." bonded whisky was cut (in New York) from \$2.59 a pt. to \$2.09; its Five Crown (blend) went from \$1.42 a pt. to \$1.19.

Hiram Walker retorted with a cut of its Canadian Club (bonded) from \$2.49 a pt. to \$2.08; its cheaper blends were reduced to \$1.19 a pt.

Other importations came down too, but several merely passed on the tariff saving.

The Seagram and Walker cuts put their bonded whiskies below such native favorites as National Distillers' \$2.25-a-pint Mount Vernon and Overholts.

More significant was the invasion of the cheaper mass market. Seagram's \$1.19 Five Crown and its \$1.14 Calvert Special came within grabbing distance of the popular \$1 market.

Competing domestic brands were not content with the 14¢ or the 19¢ advantage—though that is often sufficient to determine sales in this field. Oldtime reduced the amount of aged whisky in its Green River and Three Feathers, and started a national ballyhoo on a new 98¢ price. Schenley's Old Quaker, one

of the biggest sellers, went from \$1.09 to 99¢.

One thing domestic producers count in their favor is the general preference for American-type whiskies which even the blasting concoctions of prohibition could not eradicate. Another point stressed in salesmanship is the laxity of Canadian bonding regulations compared to those of the United States.

Nevertheless importers are expecting great things. In some sections good Scotch may be had around \$3 a fifth. It is claimed as a result that 1936 sales of Scotch will run 25% ahead of last year.

Many persons think that a general drop in domestic brands is sure to come. State-owned stores have disclosed steps in that direction.

Ohio stores made cuts on 170 domestic brands to bring them in line with Scotch and Canadian slashes. Reductions ran from 10¢ a pt. to \$1.25 a qt. National Distillers, Schenley, and Pennsylvania brands were well represented.

The Michigan State Liquor Monopoly also cut prices on 42 brands. Twenty of these were imports, 22 domestic.

Bootleg Wiring

Electrical industry makes drive for more and better wiring and against unlicensed work.

NEW YORK CITY has been making war against the bootlegger of electric wiring, to curb fires of electrical origin.

The number of electrical fires there grew steadily from 344 in 1923 to 1,101 in 1932. Records of the inspections of existing wiring over the same period showed a parallel increase in the number of installations that were found defective and hazardous.

So the authorities put on a drive to curb the activities of the small army of unemployed and other unlicensed workers who had invaded the field of electric wiring. After three years of battling, the installation of bootleg wiring in New York has been reduced by 75%.

The National Electrical Manufacturers Association this week announced the appointment of a special committee to study the market for rewiring in America. The National Electrical Contractors Association is also studying it.

Ten years ago 2% of the building cost was considered a fair allowance for the wiring of a new home. Recent surveys by *Electrical Contracting* show that 14% is now a fair average and thousands of six-room houses are being wired today for less than \$50.

If 1% of the existing homes were rewired each year to the electrical industry's standard of modern adequacy, it would double the volume of the contracting business.

To an
executive
with an
open mind

and a flair for discovering profitable details in his business

You probably never laid a floor or roof yourself and never will. You have people to attend to that. But the cost, permanence and other features of plant construction are very definitely interesting to you. You want to be sure that your organization knows of any structural material that offers advantages.

GYPSTEEL PLANK* for floors and roof decks has a background of years in the architectural and building fields. Millions of feet are in use in some of the country's large plants and institutions. Ease of handling, great adaptability, low cost and relative permanence make it an ideal material for any job, large or small, where fire-safe construction is called for.

It will pay you to acquaint your organization with GYPSTEEL PLANK. Our illustrated book will serve that purpose. May we place a copy in your hands without the slightest obligation? Glance through it and pass it on to the maintenance, construction departments or to others who would be interested. They'll thank you and you'll thank us.

GYPSTEEL PLANK is a complete structural unit shaped like lumber. Made of extra dense, malleable gypsum. All four sides are bound with galvanized copper-bearing steel tongues and grooves which lock to form a strong, continuous I-BEAM. Center is reinforced with steel wire mesh. Vermin-proof, termite-proof, PLANK will not shrink or warp.

GYPSTEEL PLANK

*The term PLANK as applied to construction building products is a registered trademark of the American Cyanamid & Chemical Corporation.

American Cyanamid & Chemical Corporation
Structural Gypsum Division
50 West 50th St., New York, N. Y.
Please mail Gypsteel Plank Bulletin to
Name _____
Firm _____
Title _____
Address _____
City _____ State _____

“Congratulations, ‘Red’ . . .



—on the \$2,000,000 Addition!"

Louis F. Riegel, left, General Sales Manager, Virginia Electric and Power Company, congratulates E. S. Fitz, General Manager, Electrical Department, on the announcement of a \$2,000,000 high pressure addition to the power station at Richmond, Virginia, made necessary by the steady growth of the company's load.

Likewise, "Red" congratulates Louis on the fine new business additions during 1935, including 10,000 electric refrigerators, 3,500 electric ranges and 2,500 off-peak water heaters, giving a system saturation of 43%, 11% and 3.8% respectively.

Each man sees a busy 1936 in prospect in the attempt to obtain minimum system investment and lower operating costs to permit lower rates for a constantly improved service over a constantly expanding area.

Needless to say, the responsibilities of these men and their associates are great and demand an intimate knowledge of the newest and best practices of the industry. That is why they appreciate the value of **ELECTRICAL WORLD** and make good use of the service that it provides. If interested in greater details, address **ELECTRICAL WORLD**, 330 W. 42D ST., NEW YORK, N. Y.

The Housing Lowdown

War of ideas in Washington is fundamentally about the question whether to insist on general reform or just meet an immediate need for expansion.

HOUSING I. Everybody's talking about housing and a few people are doing something about it. Most of the talking is aimed at Washington ears and a lot of the doing is predicated on governmental aid.

Everybody agrees that we need more homes and better ones; also that, if we are smart, we might start a housing boom to help along recovery. Most people are agreed that the big push is coming in the big middle-class, not in "low-cost" slum clearance. Beyond that there is wide disagreement and general confusion.

This first of a series of housing reports is intended to clear up some of the confusion about who wants what in all the housing publicity flooding the newspapers, magazines, and Washington releases, about what the different interested groups represent, and about where they are going from here. (For an earlier report on the housing drive, see series in BW—May 18, June 8, July 13, '35.)

Next week we'll tackle the equally confused financial aspects of the situation. Later we'll talk about how various industries and individual companies are getting an early stake in the possible boom, either with complete housing assemblies or housing equipment offers of one kind or another.

Nobody has to tell business as a whole how big a stake it has in any homebuilding program.

BECAUSE the objectives of the various groups which think they have got the answer to the housing problem are so wide apart, it's very important to get started on the right foot in any discussion of the subject.

The fundamental question obscured by so much loose talk at present is whether the object is to Rebuild America, a widely heralded slogan, or simply to meet an acute shortage.

Rebuilding to provide the finer amenities of housing in any large degree does not seem in the cards right now. But that problem will be taken up later in this report.

Everybody agrees that there's a housing shortage. Of course there's shelter of a sort for all, but expansion is an immediate need. The pressure on present capacity will be relieved to some extent by an honest-to-God demand by people who can afford better homes than they are living in now.

This demand will cause something of a boom without any planning and without any help from government, national or local, or from private philanthropy.

Getting Ready to Plunge

Apart from the fear of inflation, which is doing a lot for housing right now, many people have decided that it's better to plunge and get what they can for their money than to hang back in the hope of getting more through lower financing and construction costs that may be wiped out by other factors ordinarily regarded as stable.

Besides those who have decided to buy new housing now, there are millions of others who can be persuaded or enabled to build or buy new houses if they can be convinced that the lim-

ited family budget will stand the strain of getting them what they want.

It is on the development of this market that all industrial and government executives are concentrating, with the exception of those interested solely in public housing.

Many and various are the plans to achieve this volume. All of them involve the risk that usually is found when a quick way out disturbs the normal machinery.

Housing is the most complex and difficult to produce of the fundamental needs. Both capital and labor and, to a large extent, the brains employed in housing are hidebound by tradition.

Reform got a foothold in the Federal Home Loan Bank Act, Home Owners' Loan Act, and National Housing Act. Progress is sure but slow.

The best documented of the proposals to accelerate it is the one offered by Allie S. Freed, president of Paramount Motors Corp., New York, and chairman of a private group, the Committee for Economic Recovery.

His plan is intended to provide 750,000 homes a year for the next 10 years. This is estimated as the potential effective demand, assuming that houses for the vast majority of families can be built in a price range from \$2,500 to \$6,000.

Plans National Organization

Development of homes of this type would be accomplished by setting up a National Association of Home Builders, which would work with the Department of Commerce in promoting more factory prefabrication of parts, larger concentrated volume, more efficiency in construction on site, and modern merchandising methods.

An estimated \$30 millions required by this program would be furnished by underwriting 40 home-building companies. The Reconstruction Finance Corp. would rescue any balance not absorbed by the investment market.

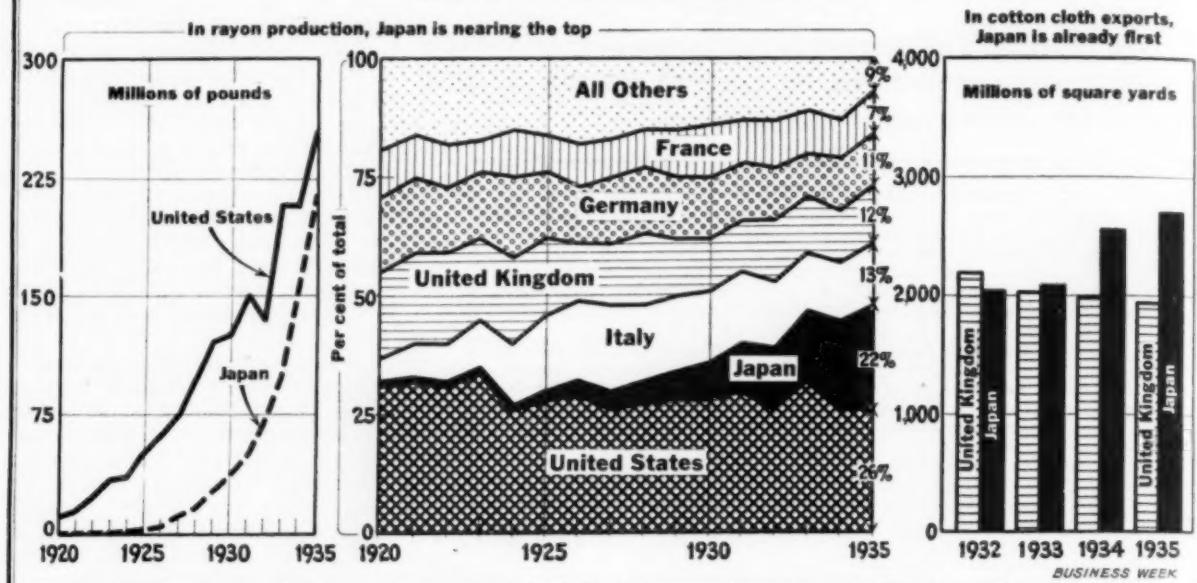
Both lending institutions and labor would be impressed with their responsibility for reducing costs. First mortgage interest rates would be cut to 4½% eventually by persuading small investors that they should be satisfied with 2½%, on top of which the lending institution would get 2% to cover costs. The Federal Housing Administration would cut its mortgage insurance rate from 1% on the face to ½% on unpaid balances.



Fairchild Aerial Survey

LOTS OF ROOM—Many housing developments, both old and new, have a distinguishing mark easily visible from the air: They are close-packed, laid out regularly in geometrical rows. But this model development stresses large yards, plenty of space between houses, winding roads.

JAPAN—TEXTILE LEADER



On a million houses built in the next three years to sell for a top of \$5,000 each, the down payment would be cut to 10% by having the RFC Mortgage Co. take a 10% second mortgage over the 80% FHA-insured first mortgage bought by private lending institutions.

President Roosevelt thumbed through Freed's report, talked it over with him Jan. 23 in a meeting arranged by Mrs. Roosevelt, and referred it to Peter Grimm, realtor now serving as Secretary Morgenthau's special assistant, whose patience has worn thin in trying to develop a coordinated program.

Grimm Problems

Many other schemes have been dumped on Mr. Grimm's desk. Here are a few that come to the top in a quick shuffle:

Arthur Holden, New York architect, has a plan for "block rehabilitation" by incorporation of the property owners that would also involve the RFC.

Bernard London, of New York, would stimulate rebuilding by planned obsolescence. A legal limit would be set on the life of the building and its use thereafter would be taxed. This plan is coupled with a proposal to force down the interest rate on first mortgages to 2% and limit the rate on savings bank deposits to 1%.

The trade associations have positive ideas on what the government shouldn't do in the housing field. All of them endorse FHA's modernization credit and single-mortgage insurance systems.

Beyond that, most of them will concede that the type of housing needed by families below the subsistence level should be provided by the community, with a federal subsidy if necessary.

The National Retail Lumber Dealers Association is strongly opposed to this and, naturally, to mass production of housing of any kind. It urges that the government concentrate on squirting more mortgage money into the smaller towns. Otherwise, get out and stay out of the housing business. The lumber dealers contend that persistent rumors of government home building subsidies are actually retarding construction. Their opinion of the Freed plan was aired in a White House conference with Secretary McIntyre on Jan. 24.

The President previously had assured them that the responsibility for providing additional homes rests chiefly on private enterprise.

Construction of housing, coupled with reduction in construction costs and advancement in methods, is regarded by industry as belonging wholly to itself and the majority of government officials agree. Research by FHA's technical staff headed by Michael Colean is accepted as helpful.

Slum housing is regarded as a separate problem. The suspicion with which the building industries regard it arises from the fact that its sponsors talk slum clearance, but think in terms of public housing for the working class.

Low-cost housing, usually tagged slum clearance, is urged by Mary Kingsbury Simkhovich, Helen Alfred, and other social workers whom Mrs. Roosevelt had to tea at the White House Jan. 24.

The Administration's central housing committee is now developing a plan that is expected to produce a revision of Senator Wagner's \$1,000,000,000 bill for continuing a long-range program by loans and grants to local housing au-

thorities. Coleman Woodbury, of the National Association of Housing Officials, is also participating.

The prospect of obtaining such a budget-staggering figure is, of course, nil. The President's budget message didn't include one dollar for housing but Miss Alfred says her group will "fight for a billion and do our promising later."

The Supreme Court decision on AAA has raised constitutional questions, and moreover Secretary Ickes has until recently been at sword's points with all other Administration housing executives. Mr. Ickes concedes now what he would not have done a year ago, that low-cost housing is a municipal responsibility and that his PWA program is for demonstration only. He advocates matching of federal and city funds, with state aid where possible.

However, tax exemption of projects will probably be the most that states or cities will contribute for some time.

Labor Right vs. Left

A. F. of L. council wages war on Lewis; seamen's union revokes left-wing charter.

UNDERGROUND rumblings, with surface temblors, became actual eruptions in two widely-separated labor sites this week. That each would lead to serious strife within labor ranks was evident; industry's chances of staying clear were slim.

Spotlighted against a background of long-time resentment and rebellion were these notable decisions:

(1) The executive council of the

American Federation of Labor, after mulling over John L. Lewis' defiant drive for vertical unionism in mass industries, got tough. Craft unions which dominate the federation had their way, and the Lewis group was ordered to cease and desist—or else. No one expected Lewis to back up, and he already had answered the "or else" clause (BW—Jan 25 '36) by daring the A. F. of L. to revoke charters of eight unions supporting his campaign.

Bridges Will Fight

(2) Harry Bridges' Maritime Federation of the Pacific Coast jubilantly got ready for the battle of its life, after the International Seamen's Union revoked the charter of the Sailors' Union of the Pacific because it refused to give up its affiliation with the radical Bridges group.

For the present, employers will be as much concerned about the California conflict as about the vertical-horizontal row. The West Coast events have already resulted in hurried calls to Washington for adjudication, and Assistant Secretary of Labor Edward F. McGrady is planning a round-table conference between ship-owners and union leaders.

Bridges has charged that a coastwide lockout is planned by employers; ship-owners, on the other hand, fear that the Maritime Federation may spread.

Whether Lewis will gain or lose support, following the A. F. of L. move is problematical. That he has the jump on his opponents is granted; his speaking campaign is well under way and his lusty, big-shouldered United Mine Workers group opened its convention this week in Washington.

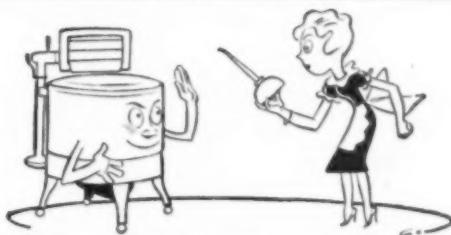
Much oratory and columns of type in the newspapers will make the average man think, for the time being, that the Lewis movement is a sure bet to split the federation next fall. Observers who have studied the background, however, point out that the support granted Lewis by seven large unions, in addition to the miners, does not get so far as to include willingness for an open break with the A. F. of L.

Serious disaffection among the loosely-gathered parts of the vertical bloc might open the way for considerable ground-gaining by the craft unions.

Automobile Offensive

Furthermore, the federation this week took the offensive by opening a drive for concentrated organizing of automobile plants, with production men in the United Automobile Workers, and other men in craft unions. The U.A.W. lost its plea for jurisdiction over all employees, skilled or unskilled, in all automotive plants. The machinists' union gets jurisdiction of workers in parts plants not owned by auto manufacturers.

The radio workers, who also have sought independence as an industrial union, were turned rebelliously over to the electrical workers' union.



"I'M OFF THAT FOR LIFE!"

"Lifetime oiling"—that's what you get in the new R & M motors that are used on some of the best washing machines and other appliances these days. R & M engineers are always doing something like that to make our motors better!

Manufacturers of electrical appliances, anxious to give better service to pur-

chasers, are partial to the sturdy dependability of R & M motors. The motor, they know, is the heart of any appliance—so they just save trouble and give you an R & M!

Look for the R & M mark on the motor when you buy an electrical appliance.... If you are a manufacturer, our engineers are at your service.

Robbins & Myers



The Robbins & Myers Co.
Ltd.
Brantford, Ont.

FANS • MOTORS • HAND AND ELECTRIC HOISTS AND CRANES

350 successful sales letters!

Do you need a letter that will "break the ice" for your salesmen?—that will get immediate business on a one-shot appeal? You can get such sales letters and many more—letters that have worked for firms in many different lines—all in this book, with comments on their special features, costs, pulling percentages, etc.

Just Published Tested Sales Letters

By HERBERT H. PALMER
Associate Professor of Business English and Advertising,
Syracuse University

530 pages, 6x9, \$5.00



You will want to look up—

- the letter that has sold a million dollars' worth of merchandise
- the letter that produced 25,000 four-dollar orders
- the letter that sold 9 automobiles out of a mailing list of 400
- the three letters that revived 43% of a store's inactive accounts
- the letter that pulled 29% inquiries
- etc., etc.

SEE THIS BOOK 10 DAYS ON APPROVAL—SEND THIS McGRAW-HILL COUPON
McGraw-Hill Book Company, Inc., 330 W. 42nd St., New York City

Send me Palmer's Tested Sales Letters for 10 days' examination on approval. In 10 days I will send \$5.00, plus few cents postage, or return book postpaid. (Postage paid on orders accompanied by remittance.)

Name

Address

City and State

(Books sent on approval in U. S. and Canada only.)

Position

Company

BW-2-1-36

What's Ahead in France

Sarraut heads a stop-gap government which will borrow in London, otherwise sit tight. Devaluation is a post-election possibility.

PARIS (Business Week Bureau)—What can be expected to happen in France in the next few months?

Business Week has put this question to executives of some of the largest industries in France and to the heads of big Paris banks. Answers varied, but here's a summary of their thinking.

The Laval cabinet fell because of its inability to effect sufficient economies to bring the budget into balance, its pro-Italian foreign policy, and internal political friction.

Shift Toward Britain

The new cabinet formed by the 64-year-old Albert Sarraut swings slightly to the Left for its major support, but is expected also to attract some votes from the Right by including Georges Mandel, and from Center by including Pierre Etienne Flandin. The present government's formal opposition now becomes the parties of the extreme Right and Left. By continuing Marcel Régnier as Finance Minister, Sarraut ostensibly takes a definite stand for maintenance of the gold franc. Flandin, as Foreign Minister, gives added stability, and indicates a shift in foreign ties away from Italy and toward Britain.

The Sarraut cabinet is admittedly nothing but a stop-gap government. A French general election is due some time before May 31. All France is eager to get it over as soon as possible. Best guess now is that balloting will take place on the last Sunday in March.

Finance Biggest Problem

As an interim cabinet simply carrying on until the people of France give a new mandate to the government, Sarraut's ministers are confronted with only one major problem—that of financing the country for three or four months. The treasury is empty. It is necessary to borrow about 15,000,000,000 francs to cover immediate short-term requirements. This amount cannot be secured at home except at a very high rate during the uncertain period before a critical general election which is likely to return a majority of parties of the Left to the Chamber of Deputies. Best alternative is to borrow in London, against the vast gold reserves of the Bank of France. This should be possible, and at comparatively low rates. This need accounts for the tactful selection for the new cabinet of pro-British M. Flandin, and the retention of the stable M. Régnier in the Finance post.

It is currently admitted that the election will return a large majority repre-

senting parties which tend to the Left and which are now grouped voluntarily in the Common Front. Probably the Radical-Socialists will campaign on a strongly socialistic platform in order to avoid a loss of seats to those further to the Left. It is quite possible that after the election France will go through a short period of "socialism."

Devaluation of the franc during this period is possible. The treasury is empty and there is an enormous deficit. Taxes have already reached their limit. Economies have failed to make more than a small dent in the deficit.

No such important move as devaluation would be attempted by a stop-gap government. It would come only after the election made possible the formation of a strong coalition cabinet which could count on the support of a mixed following in the Chamber.

Paris Is Gay

In spite of the critical situation in France due to the election uncertainty, the chaotic internal party situation, and fear of ultimate currency devaluation, there are some encouraging signs that business is getting on its feet again. Rentes are sagging because of the empty treasury and the uncertainty ahead, and the Bourse is inactive. But Paris is gayer socially than in three years. There are more good shows, with better attendance, than at any time since the war. Luxury shops are doing a good business. The smart couturiers are again busy.

A part of this revival of optimism is due to gradual reaction in France to business improvement abroad. But it is due also to an adjustment internally to current conditions. The head of one of the very large industries in France made this point in a recent interview. Turnover last year was only a little greater than the average for the previous few years, but cost and overhead have been reduced to such an extent that profits have increased markedly. Asked how present personnel compared in number with 1930, he explained that, following careful rationalization, half as many workers were now able to handle 90% of the volume transacted in 1930.

France has a difficult period ahead. A strong government, following the election, can carry out a successful program of economic adjustment. The ability of Sarraut so promptly to form a new cabinet, and the lack of public panic, have revived optimism among business leaders that the adjustments will be made calmly.



SARRAUT SITS IN—But as premier he is not expected to do more than guide the French government in safe-and-sane conduct for a few months. He is a former premier.

Neutrality Stymied

Congress splits on "scope" of neutrality. Present law is likely to be extended until new law passes.

THIS week it seems even more likely that the neutrality bill is not going to be passed very soon, and that the present temporary legislation will be extended beyond Feb. 29 when it naturally expires (BW—Jan 25 '36).

Washington opinion has divided on three main issues: whether restrictions should apply equally to all belligerents, attacked or aggressor; whether the application of the neutrality embargo should be mandatory on the President, or discretionary; whether this country should abandon "freedom of the seas."

While Congress is battling over these problems, two cases involving charges of illegal operations under the old neutrality legislation have come to light.

The first case harks back to the restrictions imposed by the government during the Bolivia-Paraguay war in South America on the shipments of guns to the belligerents. Curtiss-Wright interests were indicted by a federal grand jury on a charge of "running machine guns to Bolivia."

The second case involves 20 companies suspected of "trafficking in munitions in defiance of the law which requires them to register with the government." No names were released.

Business Abroad

Period of foreign exchange instability is expected to last for several months. Nazi government is caught between fear of inflation and rising unemployment. British business shows new burst of activity.

RECENT foreign exchange unsettlement is likely to continue for some time. It is due to fears in Europe that the United States will resort to further inflation to help meet the enormous expenditures for the bonus payment, relief, and public works. It is due to the general belief now that France is quietly preparing to devalue the franc after the general election. Finally, it is due to a new jockeying by the major commercial nations for a more advantageous bargaining position when discussing trade agreements, mutual assistance pacts, and the distribution of raw materials.

Business Boom Expected

With tension in the Mediterranean abating rapidly, the world is preparing to make the most commercially of what promises now to be another year of peace. Still watched as acute danger points are Germany, where the internal economic strain is rapidly becoming more serious, and Soviet-Japanese frontiers in the Far East. Particularly alarming is the growing friction over Outer Mongolia, which is closely allied with Moscow but theoretically still a part of China. There are Mongolians in Manchukuo as well as in Mongolia.

Washington attracted attention this week with the announcement by Secre-

tary of Commerce Roper that this country's first foreign trade zone will be established at Stapleton, Staten Island, in New York harbor. The grant will permit foreign countries to ship goods into the trade zone for further fabrication or repackaging and ship it out again without paying duty. Other parts of the world have long had so-called "free ports." This is America's first experiment with the plan.

France

Paris expects devaluation, but not until after elections. Common Front has a New Deal platform.

PARIS (Wireless)—The Bourse is firmer since the installation of the Sarraut

government, but business has been slowed by the political uncertainty.

Devaluation before the general election—now expected late in March—seems highly improbable. If a panic should develop, however, there would be no time to call a currency conference, and France would probably do as Britain and the United States have done: place an embargo on gold, and then direct the Bank of France to hold the franc at some fixed level by operating on the foreign exchange markets.

Bank of France to Rescue

The empty treasury is still the main worry of the government and business. At the present moment, it seems that the government is going to avoid borrowing in London if possible, by persuading the Bank of France to make the government a loan large enough to cover current needs. When the currency is devalued, this obligation can be cancelled as a part of the business of revaluing the country's gold reserves.

Because the Sarraut government is so importantly supported by parties from the Left, the public has taken a special interest in the campaign platform issued by the Common Front (page 32). This coalition really represents all but the extreme Leftists, and has just announced a program which is curiously like the Roosevelt New Deal, even though the French are aware that much of the New Deal is just being nullified by Supreme Court decisions in the United States.

There is a popular appeal to the socialists, who make up the parties now united in the Common Front in a vast political campaign against the "200 families who rule France," and against the "feudal power of business men and the bankers."

They are starting their campaign for nationalization of the Bank of France, creation of a national unemployment fund, legal reduction of the working week to 40 hours with no cut in salary, a new public works program, adjustment of farm debts, supertaxes on large incomes, increase in estate duties, and nationalization of the armament industries.

Pet Shop in Paris

Paris has been intrigued this week with the opening of an enormous pet shop in one of the largest and most popular department stores, La Samaritaine. An entire floor is devoted to the new section. Birds, fish, dogs, and cats are the most popular pets, but the shop also has monkeys and boas, and will take orders for any animal desired by the customer.

Several amusing incidents have taken place during the first week of business—all of which have been utilized profitably in La Samaritaine's advertising. A sculptor has purchased the first baby lion carried in stock. Farmers have bought out practically the entire supply

How Drought and Business Recovery Affected Our Foreign Trade Last Year

(% Change 1935 vs. 1934)

EXPORTS		IMPORTS	
TOTAL	+ 7	TOTAL	+ 25
Agricultural machinery and implements	+ 49	Butter	+ 1603
Canned fruits	+ 38	Vegetable oils and fats	+ 199
Fruits and nuts	+ 26	Grains and preparations	+ 119
Glass and glass products	+ 26	Unmanufactured wool	+ 78
Gasoline	+ 24	Fodders and feeds	+ 70
Industrial machinery	+ 24	Iron and steel mill products	+ 60
Crude Petroleum	+ 23	Tin	+ 56
Passenger cars and chassis	+ 21	Precious stones and imitations	+ 54
Vegetables and preparations	+ 19	Meat products	+ 49
Soap and toilet preparations	+ 17	Oil seeds	+ 47
Motor trucks	+ 15	Foreign cane sugar	+ 46
Pigments, paints, varnishes	+ 15	Nuts	+ 41
Electrical machinery and apparatus	+ 14	Cocoa	+ 37
Household refrigerators	+ 14	Ferro-alloys	+ 33
Office appliances	+ 14	Raw silk	+ 33
Tobacco manufactures	+ 12	Furs and manufactures	+ 31
Photographic and projection goods	+ 12	Cotton manufactures	+ 28
Medicinal, pharmaceutical preps.	+ 12	Nickel	+ 27
Dried and evaporated fruit	+ 10	Copper	+ 20
Wood and paper	+ 3	Jute and manufactures	+ 20
Radio apparatus	+ 2	Crude rubber	+ 17
Dairy products	-13	Bananas	+ 16
Meat products	-19	Wood and paper	+ 15
Cotton cloth	-19	Tea	+ 6
Aircraft and parts	-19	Coffee	+ 3
Lard	-55	Whiskey	- 10
		Wines	- 33

of boas, and use them on their farms to destroy rodents.

Fish markets raised a protest when they discovered that the new shop was offering live carp at prices lower than they were able to meet with their refrigerated wares.

Germany

Nazi officials are attempting to steer middle course between inflation and further unemployment.

BERLIN (Cable)—German business recovery is slowing down markedly. This is due to the strain on domestic finances of the government's huge spending program for public works and rearmament, to the dwindling buying power of the people, and to the inability of the Reich to expand its export markets.

The probable feature of 1936—which is the fourth year of the Nazi régime—will be an attempt to steer a middle course between inflation and unemployment, with increasing emphasis on economy in government spending.

Economic observers here have noted that the bulk of the half million increase in the number of unemployed in December was in the outdoor trades. If the winter had been severe, this would have been expected. It has not been; has, in fact, been unusually mild. Therefore, the broader interpretation put on these figures is that Dr. Schacht, who is Germany's real economic dictator, and Count Schwerin (Minister of Finance) have prevailed in their plea for budgetary economy.

Going More Cautiously

There are, besides, several indications that this interpretation is correct.

Several canal projects that were to be undertaken in 1936 have been indefinitely postponed. In all cases, this change of program has been motivated by the absence of funds. Incidentally, the Saar is among these to complain. Before the Saarites voted a return to the Reich last January, they were promised a canal between the Saar and the Rhine which would give a cheap outlet to Saar coal in southern Germany. In an unusually bitter article in the *Frankfurter Zeitung*, one of the big coal barons of the Saar complained that this project had been indefinitely postponed.

Executives are becoming alarmed at the growing number of trade agreements which are being made by other countries and which do not give Germany any benefits. Most recent is the United States-Swiss pact giving Swiss dyes, machinery, and textiles a favored position in the American market. If Czechoslovakia succeeds in working out a similar trade agreement with the United States, many German industries will suffer.

Great Britain

Business resumes upward trend. Lancashire shows signs of marked recovery. London expects \$50 Atlantic excursions.

LONDON (Cable)—British business is returning to normal this week following the week of mourning for the late King, and there is every evidence that the upswing of the last few months will be continued. Exports are expanding. The demands of the coal miners have been adjusted, without a strike. The railroad rate case has been settled in favor of the railroads, with an immediate burst of activity in rail shares on the stock market. The flow of new stock issues continues, featured of late by domestic commodities and chain store offerings. Banks report an excellent year just finished, with deposits increasing in spite of record Christmas fund withdrawals six weeks ago.

There is striking evidence that recovery is reaching even to the areas which have suffered especially during the depression. East Lancashire towns have suffered from the cotton slump but they are beginning to show new life. The Blackburn Savings Bank, in its annual

report, announced that deposits increased nearly 2½ million pounds last year, and that 5,000 new accounts were opened during the year. The present surplus is two and one-half times larger than it was 10 years ago.

Similar optimistic news comes from South Lancashire, where the Warrington, Runcorn and District Savings Bank records that for the first time the turnover during the year has exceeded the million pound mark. There has been an increase of nearly 2,000 depositors.

Manchester shared in the recovery. The Manchester Clearing House reports for the year show that total clearings were 3½ million pounds greater than the previous year and at the highest level since 1930.

Cunard Sets the Pace

Sir Percy Bates, chairman of the Cunard-White Star line, has announced that the *Queen Mary* has been entered in the transatlantic schedules as a "cabin" ship and not as a first class liner because the company's idea is to achieve a two-ship, one-week service for normal transatlantic trade, not a world-shaking luxury product. The size of the *Queen Mary*, and of the sister ship when launched, will be such as to provide all kinds of passengers with accommodations. The

WORLD RECOVERY BRINGS ASTONISHING NEW BEAUTY IN STYLES AND MATERIALS AT BEST VALUES EVER OFFERED.

THESE PARIS FASHION EXPERTS

(in alphabetical order)

WILL PRESENT THEIR SUMMER COLLECTION TO BUYERS ON THE FOLLOWING DATES:

NAME	ADDRESS	DATE OF SHOWING
Bruyere	4 Rue de Mondovi	February 1st, 3 P. M.
Callot Soeurs	37 Avenue Montaigne	February 7th, A. M.
Chanel	31 Rue Cambon	January 27, 3 P. M.
Mirande Doucet	21 Rue de la Paix	February 3
Marjorie Dunton	3 Fg. St. Honore	From February 1, 5 P. M.
Heim	50 Avenue Champs Elysees	February 1
Jonny	8 Rue Royale	February 3rd, 5 P. M.
Jeanna Lanvin	22 Fg. St. Honore	February 5th, P. M.
Germaine Leconte	22 Boulevard Malesherbes	February 1, 3 P. M.
Lucile Paray	8 Place de la Madeleine	February 3
Jean Patou	7 Rue St. Florentin	February 7
Nina Ricci	20 Rue des Capucines	February 3
Marcel Rochas	12 Avenue Matignon	January 30
Rosevienne	4 rue Cambon	February 2, 4 P. M.
Schiaparelli	21 Place Vendome	February 4, 3 P. M.
Worth	120 Fg. St. Honore	February 6, 3 P. M.

This advertisement will serve as an introduction

THE TIME? THE PLACE?—This ad, if clipped from a Paris journal, might occasion only mild interest. But it is from the *New York Times*. Paris knows that business is good in America, and the fashion experts are going all the way in their efforts to keep important foreign buyers informed.



OF AND FOR MONGOLIA—Gendu, chairman of the Council of Ministers which rules over the Mongolian Peoples Republic, is friendly to Russia—if he were not, he wouldn't be in office long. From another angle, his seat is shaky; Japan has plans, and support of the present Mongolian soviet forms no part of them.

twin service should not prompt new cut-throat competition between luxury lines.

None the less, a great deal of luxury is being built into the new liner which will end its maiden voyage at New York on June 1. When the sister ship will be laid down, and where, is yet unknown.

More than a year ago, a plan was rumored whereby British and American interests would combine to provide a popular \$50 excursion service across the Atlantic. At the time the treasury objected to the purchase of ships on the grounds that it infringed the ban on the export of British capital. A way to get around this objection is said now to have been discovered, and details of such a scheme may break at any time.

Canada

Dominion business made new recovery records in 1935. Lumber exports and construction show largest gains.

OTTAWA—As year-end figures became available this week, Canadians checked up on the government's tally of business activity for 1935, and weighed it against plans for this year.

Business activity at the end of the year was measured by the Dominion

Bureau of Statistics at 102, compared with 100.6 at the end of 1934. Employment stood at 104.6 on Dec. 1 (latest figure), compared with 98.9 a year earlier. Other important changes are tabulated:

	%
Pig iron production	+47
Steel production	+23
Passenger car output (11 months)	+42
Building permits	+68
Contracts awarded	+27
Electric power output	+11
Imports	+7
Exports	+12
Lumber exports	+64
Raw rubber imports	— 6
Coal imports	— 6
Bond sales	+50
Life insurance sales	— 3
Wholesale prices	+ 2.1
Common stock prices	+24.6
Dominion bond yields	— 5.6

Far East

Manchukuo and North China in tariff union. Japan will buy Brazilian cotton, Oregon lumber.

JAPAN's program in continental Asia is no longer a mystery to many. Newest indication that Tokyo plans to create a huge market and raw materials supply base in Manchuria and North China, united in a customs accord, is contained

in a report just received from Peiping. The head of the autonomous government which has been established in the Tientsin Peiping area has proposed to the Manchukuan Foreign Minister that the two regions establish reciprocal tariff relations. Much of Manchuria's foreign trade naturally used to pass through Tientsin.

Japan is reported to have perfected tentative plans for the organization of a company which will import raw cotton from Brazil. Farmers in the large Japanese colony in Brazil will benefit, and Japan hopes by increasing purchases from Brazil to open up a larger market for Japanese manufactures. Less than 5% of Japan's total exports go to Latin America, and Brazil is one of the comparatively small markets despite the fact it has the largest population.

West Coast lumber interests are benefiting from large Japanese orders. Portland, Ore., reports that lumber production is back to normal, and that 12 Japanese freighters will call at that port in the next two months for lumber cargoes.

Latin America

Mexico is paving last stretch of Laredo highway, preparing for formal opening in May. Exports are encouraged.

MEXICO is spending \$10,000,000 on highways this year, with special emphasis on completion of the Mexico City-Laredo road which is scheduled now to be opened officially in May. The last 60 miles of this road is being surfaced now, and two steel bridges will be ready in April.

Irrigation projects in northern Mexico call for the expenditure of nearly \$20,000,000 on three huge dams, and another \$4,000,000 for smaller projects scattered over a larger area.

From Guadalajara, it is reported that an American building concern has applied to the state government for a concession to build 3,000 homes to cost from 2,000 to 5,000 pesos and to be paid for by tenants on weekly installments of five pesos. Those who buy the 5,000 peso homes would receive life insurance policies and a ticket to a raffle which gives them a chance to win a house.

Mexico produced 221,127 bales of cotton last year, a gain of more than 5% over 1934. Twenty-five tons of fish and the first consignment of lobsters have been exported this season from Sonora to Tucson, Ariz. Further to encourage exports, the government is considering another freight rate reduction on all government railways operating lines to commercial centers along the border or to seaports with scheduled sailings to foreign countries.

THE PRESENT STAGE of RECOVERY...

and favorable market conditions invite the attention of corporation executives to possible benefits from readjustment of capital structures. Such readjustment may profitably include not only the refunding of debt or the raising of additional capital, but also the betterment of the collateral value of outstanding securities through more diversified ownership and increased marketability.

F. EBERSTADT & CO.

Incorporated

INVESTMENT BANKING

39 BROADWAY

NEW YORK CITY

Silicosis Showdown

Congress is asked to investigate dust disease "slaughter." Engineering editor makes own inquiry and asks probe of lawyers, too.

It looks like a showdown on silicosis. This dust disease destroys the lung tissues of rock-drillers, foundry workers, and men at emery wheels, if they are not properly protected by ventilation or other preventive measures. Many states have legislated on the subject. Employers generally recognize the danger, though it is difficult to compel the worker to observe the necessary precautions.

Lawyers and agitators have also recognized the situation. Many suits and strikes in recent years have whipped up fear.

Representative Marcantonio of New York recently introduced a resolution in the House calling for an inquiry by the Secretary of Labor. It came out of sensational stories in a radical Chicago weekly newspaper, based on rumors from West Virginia mountain villages of the death by silicosis of 476 workers employed by Rinehart & Dennis Co. of Charlottesville, on the power tunnel of the Hawks Nest hydroelectric project on the New River.

"dropped like flies" at their work from the deadly silica dust.

Engineering News-Record sent an editor to investigate and reports adequate ventilation, the atmosphere free from dust, accident prevention measures above the average, and all drilling with wet drills. In the 30 months of operation, it states, there have been 65 deaths outside and inside the tunnel, including 2 manslaughters, 15 accidents, 35 from pneumonia, 8 by tuberculosis, heart disease, and typhoid, and 5 unclassified. This death rate is half that prevailing in the county.

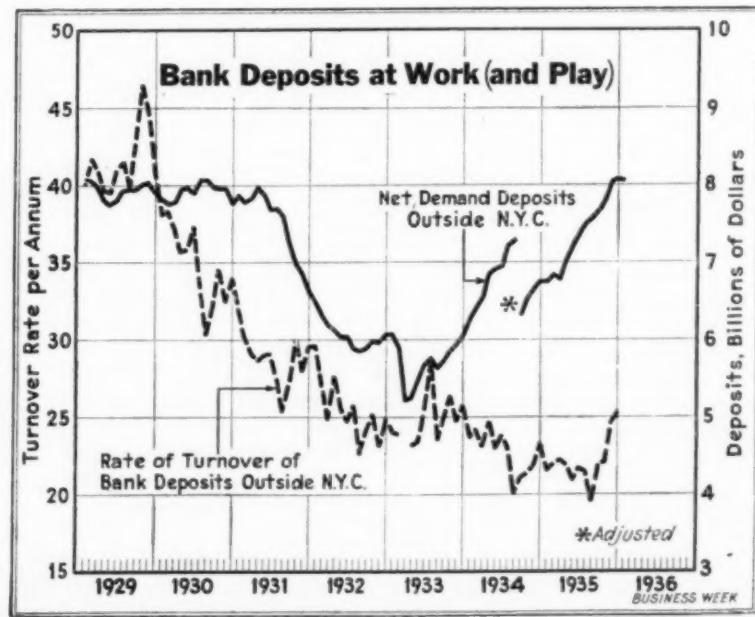
Testimony of Doctor

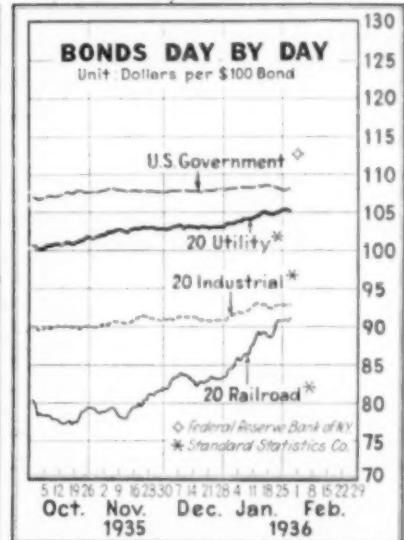
At hearings last week in Washington, a local doctor who had examined 309 workers testified that 13 had died there of silicosis and 137 had lung trouble, much of it "co-existing tuberculosis."

In 1933 there were 300 suits against this contractor, with enterprising lawyers arguing for payment of silicosis damages of from \$10,000 to \$25,000 in each suit. The first suit dragged six weeks and ended in a hung jury. Faced with the cost of defending so many actions, the contractor reluctantly settled the rest out of court.

In 1934 there was a new crop of suits. The first ended in a jury split. The rest were killed by a new state law or for other reasons. Now a congressional investigation has begun, and Senator Holt of West Virginia has appeared as a witness to denounce the employer.

Engineering News-Record calls for congressional action that will bring a real investigation of silicosis hazards, and of the charges of racketeering and bariatri connected with them. It also urges concerted action by the contracting industry to get sound legislation that will clear the situation up.





Money and the Markets

SPECULATIVE activity had a short run of inflationary fever this week. A rash of rumors ran through the market places and had operators dizzy until Secretary of the Treasury Morgenthau set them right. While the gossip raged there was a stampede from dollars in foreign exchange markets, and foreign currencies bounced up to a point at which outward gold shipments seemed about to start. As dollars tumbled, stocks boiled up and bonds slumped.

The infection never got beyond the susceptible speculative group, however. For conservative interests had disposed of inflationary probabilities two weeks earlier (*BW*—Jan 18 '36) and took new manifestations with a big dose of salt. Commodity speculators were more skeptical than they usually are.

Morgenthau's Plain Talk

Mr. Morgenthau did some fancy rumor-killing when he got around to it. He named the source—an anonymous bulletin writer—cited the statements, 1, 2, 3, and denied them point by point. Business men bothered by whispering campaigns might well take notice.

Predictions had included: that Morgenthau would resign; that 500 million oz. of silver was being bought in China; that silver was to be marked up to \$1 per oz.; that the dollar was in for another cut in gold content; and that international stabilization agreements were near.

Some curious byproducts of the episode are of interest. The Federal Reserve Board was jarred into making a move toward restricting speculative credit. Fears for the dollar helped tide Paris through one of its familiar crises. Francs came through a government change strengthened and for once we ducked a new flood of French gold.

In turn, a byproduct of the Federal Reserve's new regulation, which raised brokerage margin requirements from 45% to 55%, was a temporary stimulation of speculative enthusiasm.

Like a fire siren it attracted attention

to a flame to be quenched. The market followers reasoned that if there was a bull market needing controls they wanted to get in on it.

Reserve Action Is Approved

Nevertheless the action received commendation by farsighted financial interests. They like the fact that banking authorities chose this screw among the several new controls to try first. It deals with a specific problem recognized to be real, although still embryonic.

Restriction now, when it doesn't mean much, makes it easier to tighten down gradually when the need arises.

It is a pleasant contrast with some Federal Reserve moves in the past, when tardy and sudden action disrupted banking but had no influence on speculation except aggravation. In early 1929, for instance, the "moral suasion" program of the board upset banking but made speculators merely arrogant and rebellious.

Stocks Reach New High

The stock market showed how it felt about things by reaching once more into new high territory—the highest since mid-1931. Trading volume is good and speculative interests frequently wander from one favorite group to another, thus providing news and activity.

But compared with the insistent cash demand for stocks, the speculative movement is superficial. It is the cash-buying that keeps plugging in and really

gives the market its characteristics of strength.

This tide sweeps right along and tends to level out the buttes and arroyos that occur in the market when the news is taking its irregular swings, as it has been doing with a vengeance lately.

The fact that the market is living and thriving on this peaceful but prolific cash-buying is one important reason why the market trade merely shrugged off the Federal Reserve action on margin rules.

New Issues Are Grabbed

Indicative of the sustained strength in the bond market's capacity for new issues, and the very definite cold shoulder that inflation talk is getting in underwriting circles, the Republic Steel \$45,000,000 package of 4½s was grabbed up at the offering price of par within a few hours after it was offered. Institutions, particularly insurance companies, were prominent takers.

Republic will put 40 millions of the new money into refunding. The remainder is for corporate purposes, at least part earmarked for the company's plant expansion program.

Just before the Republic sale, the \$9,000,000 Skelly Oil issue was marketed with similar ease. New York State disposed of \$75,000,000 of short term notes at very low rates. About half the notes were marketed at 0.3% for eight months' maturity, the remainder going at an even lower interest rate, 0.25% on five-month obligations.

The New York Central Railroad told the Reconstruction Finance Corp. it could not repay the \$11,899,000 debt maturing this year and next, and it got a prompt extension of the loan to 1941. The move probably foreshadows funding of the New York Central bank debt.

If Jesse Jones, chairman of the Reconstruction Finance Corp., continues his recent practices, the railroad will do

Are Stocks a Buy Now? —

Write for this
report—gratis

Babson's Reports

and the famous
BABSONCHART
Div. 33-60 Babson Park, Mass.



There is no factory or commercial building that cannot be cleaned better and more economically with —

INVINCIBLE HEAVY-DUTY
PORTABLE VACUUM CLEANERS

May we tell you more?

INVINCIBLE VACUUM CLEANER MFG CO.
2511 DAVIS ST. EST. 1905 DOVER-OHIO

One Dollar

Will Bring You
Robert Updegraff's Famous
"Little Library of Self Starters"



These little books are just as invigorating TODAY as they were five years ago.

Originally priced to sell at 75c each, you can have the set of six for only \$1.

The present supply won't last long at this bargain price.

MAIL YOUR COUPON—NOW!

H. C. HENDERSON,
330 West 42d St., New York, N. Y.

Enclosed is my dollar. Send me Robert Updegraff's famous Six Volume Set of "Little Library of Self Starters."

Name

Address

City State
(Your money will be refunded if our supply is exhausted when your order is received.)

the financing at not more than 4%. That is the figure the RFC top man has been sticking to.

Commodities Still Bogged

The principal commodity markets, cotton and grain, are bogged down as deep as ever, are getting nowhere, and are beginning to turn sour on their own predicament.

Two things need to be cleared up in cotton—first, the complicated wrangle over the division of processing-tax refunds, and second, the prospects of farm legislation controlling future crop supplies. Neither of these problems is being worked out with any speed, and in the meantime the cotton market is stopped dead still.

Grain markets are in a parallel fix. The mild bullish factors (such as shrinking supplies of milling wheat east of the Rockies and the Department of Agriculture forecast of a slightly smaller carryover next July) which ordinarily would stir up some futures trade, are devitalized by the whole-hearted reluctance of speculators to work at their trade and by the same two factors that are keeping cotton in a straitjacket.

Happy Stock Exchange

The New York Stock Exchange lost only \$209,325 in 1935, compared with \$1,060,890 in 1934, and is very happy about it. Revenues were higher and expenses lower than in the preceding year, with the largest gain in receipts coming from new listings.

Actually the Exchange's cash intake was more than actual running expenses, but with initiation fees not counted as current income, and with \$671,436 depreciation on plant and equipment, it worked out as a deficit.

Assets of the Exchange declined \$791,866 last year to \$41,431,805. The chief income was from Stock Clearing Corp. charges, listing fees, telephone spaces, ticker services, and rents. But the barber shop brought in \$14,701 for trimmed whiskers, and there were enough headaches to bring medical department income up to \$89,162.

On the other side of the ledger, tenants and others ducked \$1,670 in bills; and gas, electricity, coal, steam, and water cost \$192,002.

And—for heaven's sake—the Stock Exchange lost \$19,254 on securities sold. Tsk! Tsk!

Casualty Firms Improve

Casualty and surety underwriters are getting a lift from higher activity in business and industry. Greater volume spreads the risks and cuts the loss ratio, particularly in workmen's compensation and automobile liability, the two biggest and most troublesome lines.

Silliman Evans, president of Maryland Casualty Co., reported to his stockholders this week a rise of 11.7% in gross premium income for 1935, an 11.6% cut in losses, and a saving of

Big and Better

Company	1935 (000 omitted)	1934
General Motors		
4th quarter net ..	\$52,743	\$2,324
Year	167,226	94,769
Per share (com.)	\$3.69	\$1.99

U. S. Steel		
4th quarter net ..	\$5,326	\$10,234
Year	1,085	d21,668
Per share (7% pfd.) ...	30c.	def.

Two of the big ones reported this week. General Motors raised its earnings by 76% over last year, making the best total since 1929. U. S. Steel turned a nine months' loss into a year's profit in the last quarter, the best final quarter since 1930, and showed the first annual profit since 1931.

1.8% in operating expenses. Premiums were highest since 1931, and the company had an operating profit of \$1,576,160 against a loss of \$10,140,331 a year earlier, when extraordinary charges took the sum of \$8,440,803.

Despite increased new business and its requirements for larger premium reserves, the company showed an underwriting profit, the first since 1928. This reflects a concentration on profitable lines that has typified casualty company operations recently.

Kennedy Makes Report

Joseph P. Kennedy, ex-chairman of the Securities and Exchange Commission, made short work of the study of Radio Corporation of America's recapitalization possibilities which he was hired to make in December. In less than a month he had reported to directors with recommendations said to be based on a reasonable appraisal of all interests involved.

However, no details were at once divulged. The market evidently scented nothing radical in store, for prices of the Radio stocks remained quiet and unaffected immediately after Mr. Kennedy turned over his findings to the directors.

Radio's big problem is to get rid of the dividend arrears on the cumulative Class B preferred stock, totaling about \$17,000,000. Unless a recapitalization plan disposes of this problem, common stockholders are not likely to be satisfied, as the common stock, which has never seen dividends, needs preferred dividend arrears cleaned up before it can get into the money.

The market is sure of one thing, that the Kennedy plan is impartial. In fact, the reason Mr. Kennedy was asked to make the proposal was that the company wanted the plan to come from an unimpeachable outsider.

Editorially Speaking—

FROM the London cable in the foreign trade department of our last week's issue we learned that the United Kingdom had a pretty big increase last year in "the amount of electricity generated by authorized undertakers."

Our language is the same as that of the English and yet it's different. An undertaker over here is an undertaker—unless he wants to be called a mortician. An undertaker over there is also exactly that. But at the same time the old, broader sense of the word persists, to some degree, and a company that undertakes to generate electricity for sale is an undertaker.

SOME Chicago reporters are peeved. Among the bills for a total of \$1,600,000 submitted to the federal court by lawyers, committees, and experts who have worked on the reorganization of the Middle West Utilities Co., there are a lot of lawyers' bills for "conferences," at \$25 to \$100 an hour. And it turns out that some of these conferences were talks of the lawyers with the reporters, to explain how the reorganization was getting on.

Problem: If lawyers deserve \$25 to \$100 an hour for talking to reporters, what do reporters deserve for listening to lawyers?

SOME of the older Democratic senators who were associated with Woodrow Wilson have flared up at the suggestion that Wilson knew in 1917 about the Allies' secret treaties. It's apparently assumed by these senators that to look into the evidence in the matter would be blasphemy.

It wouldn't be blasphemy to look into the evidence on any important question, whether it affects Wilson, Theodore Roosevelt, Lincoln, Jefferson, or Washington. The question of the peace treaties is important because it concerns the intricate conditions and complicated motives that led us into the war. What Wilson knew about the treaties—and when he knew it—is therefore very important.

IT appears that our ambassadors to Britain, France, Russia, and Italy had sent back word about the treaties. It also appears that when Balfour led a British mission over here in April, 1917, immediately after we entered the war, he gave full information about the treaties to House, Wilson's right-hand man, and that he left a memorandum about them with Lansing, the Secretary of State. Lansing's diary is said to reveal his knowledge of them.

The diary is in the Congressional Library and senators have access to it, but no part of it has been thrown open

to publication. The Balfour memorandum has been recalled by Secretary Hull from the Senate to ensure secrecy. People who have not seen Lansing's diary or Balfour's memorandum are not qualified to say absolutely that Wilson knew what House and Lansing knew.

SOME young men and women in Boston have formed an American Monarchist Party. We haven't heard whether it's an intentional joke or a sign of premature senility.

GOEBBELS, the Nazi minister of propaganda, makes the same plea for colonies that Mussolini does. "A nation must live somehow. Sooner or later a boiler must explode." This seems to be the usual pretext of overpopulation.

But colonies won't reduce the population pressure at home. There were only 8,000 Italians in all the Italian colonies in Africa before the war. There were fewer than 25,000 Germans in all the German colonies. The plea of overpopulation is not sensible and it is not honest.

Goebbel's real reason is in his statement that "we can get along, if it is essential, without butter, but never without cannon." Colonies are wanted as a source of the raw materials that the Nazis are piling up in order to start an early war.

MRS. OLIVER HARRIMAN, whose name can be found in Social Registers and things like that, got together with a few other celebrities some months ago and formulated a New Deal for the support of charities by organizing the National Conference on Legalizing Lotteries. Now she is protesting because people she never heard of caught on to the idea and formed other associations with the same professed purpose and are running sweepstakes, or treasure hunts, as they call them. It's pretty tough but what else could Mrs. Harriman expect? After all, the thing she has got into is gambling, and there will never be any ethics in that.

INCIDENTALLY, the Gentleman on the Financial Desk informed us this morning that seven members of our staff bought tickets in the latest of these treasure hunts and none of them won anything. We don't know what's to be done about that, either.

So the Aga Khan went back from his European life to Bombay, to celebrate his fiftieth year as head of the Ismailian sect of Mohammedans, and he sat down on a scale while gold bars were piled on the other side till the beam tipped. He got his weight in gold, £25,125. Eat and grow rich.

MALLORY brought to the Radio Industry Universal Application



Sixty-nine Mallory Replacement Condensers now meet the needs that formerly required thousands! A mere handful of Mallory Replacement Vibrators service over 2,500,000 automobile radio sets. Yaxley Volume Controls service more than 4000 different radio receiver models.

Mallory engineering to develop the practice of universal application has established Mallory-Yaxley leadership in the production of radio parts. It has enabled radio distributors and dealers to render complete replacement service without the burden of enormous stocks and wasteful inventories—and has provided radio service men with immediate facilities for prompt and completely efficient servicing.

P. R. MALLORY & CO., Inc.
INDIANAPOLIS INDIANA

Cable Address—Palmilla

MALLORY

PARTS FOR RADIO, ELECTRICAL,
AUTOMOTIVE AND INDUSTRIAL FIELDS

Science in a Quarry?

Maybe you've never thought about it. Certainly you profit by it! Scientific explosives such as Atlas Apex eliminate production wastes and lower the costs of basic materials used in highly diversified industries.

Your home and any number of its furnishings, the automobile you drive, the metal desks and equipment that modernize your office—innumerable objects of every-day use—cost you less because of scientific explosives.

Apex is but one of many scientifically developed products created by Atlas. Atlas Divisions also produce industrial chemicals, industrial finishes, coated fabrics and activated carbons.



ATLAS
POWDER COMPANY
Wilmington - Delaware

FEBRUARY 1, 1936

Men Who Will Govern

President Roosevelt has announced his nominations to membership of the new Board of Governors of the Federal Reserve System.

Not a single name among these designates a man of outstanding qualifications for the job and yet the most captious critic of the New Deal must admit that as a whole it is a better board than was to have been expected.

In trying to appraise the caliber of service the nation may expect from these officials, one naturally thinks first of the responsibilities which confront them. They constitute a group that will shape the policies and direct the administration of the largest banking system in the world. They will be in direct and almost complete control of the credit of this country and indirectly of the ebb and flow of business.

To conduct themselves wisely and serve the country well, they will need to adjust the credit and currency policies of this country to the fiscal influences that come to bear upon it from every part of the world. It may not be an exaggeration to say that no seven men will exert more important world influence or discharge more profound responsibilities than the members of this board, newly created by Congress to allow appointments by President Roosevelt.

The domestic problems alone of this board are scarcely comprehensible. These governors exercise almost complete authority over the individual Federal Reserve banks. They can inflate or deflate credit in vast proportions. They can grant or deny credit to speculation and to business, and to a considerable extent they can regulate as well as finance vast operations.

The gravity of these responsibilities is deepened by the fact that the system has available for monetary use \$9,500,000,000 in gold and holds more than three billions of excess reserves. It is difficult to conceive the explosive potentialities of a quarter of trillion dollars of new bank credit that might be created on that basis. Guarding the country against that hazard alone is test enough of the caliber of any group of officials.

A surprising number of these men are well-versed in the technicalities of operating an individual bank. Several of them have had actual ex-

perience as bank officers and directors. Two have established creditable reputations as bank examiners. In this respect the new board is better equipped than any of its predecessors. Only one of them has gained any public notice by expounding strange or radical ideas of fiscal policy. It is in these respects that the nominations constitute a better board than might have been expected in view of the attitude of the Administration towards the banking business.

None of these appointees is prepared by training or experience to direct a great central bank. We can only hope that they will grow into their new responsibilities as satisfactorily as the personnel appointed to the Federal Reserve Board and to the management of the individual banks grew into theirs after the system was established in 1914.

An Index That Shows Where Business Is

Nobody can have even a rough idea of the condition of business unless he has access to figures that show what the main departments of business are doing.

This week the Federal Reserve Board announced that its index of industrial production in December rose to 103% of the 1923-1925 average. The *Business Week* index of business activity in December rose to 75% of normal. Without going into the question whether one of these indexes is abstractly superior to the other, the fact is that the Reserve Board index is apt to be misleading to readers of newspaper headlines, and that the *Business Week* index gives a clearer conception of the actual condition of business.

The Reserve Board index represents nothing but manufacturing and mining. The *Business Week* index represents production, construction

and trade. Moreover, it deducts the effects of normal growth in each of these divisions, which the Reserve Board index does not.

During the depths of the depression the *Business Week* index looked particularly discouraging to people afraid of the facts. They found comfort elsewhere, as the makers of some other indexes revised their standards of normal and thus brought the figures of the week nearer to par. Some of these indexes stand at about par now. The *Business Week* index does not, because business is not at par, or anywhere near it.

The *Business Week* index has been used for years by business organizations as a basis on which to predicate their estimates of future volume. It is now coming into increasing use as a basis for the adjustment of wage contracts. Business men can count on it in the future as they have done in the past, because it is as impartial as human fallibility will permit.

More Bonuses For Poor and Prosperous

The bonus bill is now law, but the country has not yet seen the end of the bonus question. In one form or another it will rise again. Miscellaneous favors will be asked for the veterans. Pensions will certainly be asked. Each of these special benefits will be a form of soldiers' bonus.

The veterans are mostly in their forties. They are at the age when men exert their strongest influence on public affairs. They are to be found in every walk of life and in every gradation of wealth. Like their fellow citizens they have been hurt by the depression, but on the average they have been hurt less badly than older or younger men.

Nevertheless they have been raised up as a preferred class, despite the reluctance of many of them to claim special favors. And this is only the beginning. The due date for the bonus was 1945. It is being paid in 1936. And before 1945, or soon afterward, there will probably be pensions for all veterans, the poor and the prosperous alike.

There have been such results after all our wars, but never before have they come so fast and so expensively.

Published weekly by McGraw-Hill Publishing Company, Inc., 330 West 42nd St., New York. Tel. MEdallion 3-0700. Price 20¢. Subscription: \$5.00 a year, \$10 for three years, U. S. A., possessions, and Canada. Other foreign, \$7.50. Cable Code, McGrawhill

Glenn Griswold,
Vice-President and Editor

Ralph B. Smith
Managing Editor

Paul Montgomery
Manager

Marketing, O. Fred Rost
Industry, Earl Whitehorse
Foreign, J. F. Chapman
Management and Labor, Frank Rising

News Editor, Louis H. Engel
Transportation, Irvin Foos
Typography, F. A. Huxley

Economist, David Dillman
Finance, Arthur W. Baum
Statistics, R. I. Carlson
Washington, Paul Wooton, Carter Field

